

 ORIGINAL

SOFTWARE LICENSE, SERVICES AND SUPPORT AGREEMENT

This SOFTWARE LICENSE, DEVELOPMENT SERVICES AND SUPPORT AGREEMENT ("Agreement") is made as of this 31st day of December, 2004 (the "Effective Date") by and between SunTotal Systems, Inc., located at 2444 Charleston Road, Mountain View, CA 94043 ("Vendor") and Lehman Brothers Inc., with an office at 745 Seventh Avenue, New York, New York 10019 ("Lehman Brothers").

In consideration of the mutual covenants contained herein, the parties hereto agree as follows:

1. LICENSE AND HOSTING SERVICES.

1.1 **License Grant.** Vendor grants to Lehman Brothers a non-exclusive, non-transferable (except as provided in Section 1.5), global, perpetual, royalty-free license to use, display and perform in the course of its business operations and solely for its own business purposes, including but not limited to processing its own information and that of its affiliates and clients as part of its business, and permit to be accessed and used as provided herein by no more than the number of Named Users permitted in the License Configuration ("Use") the Licensed Software (as defined). Lehman Brothers may make a reasonable number of copies solely for backup, training, archiving, testing and disaster recovery. Notwithstanding anything to the contrary contained in this Agreement, the scope of Use authorized hereunder shall include use by or on behalf of any Lehman Brothers affiliate, and use by third parties under contract to provide services to Lehman Brothers or its affiliates, provided that such third parties' use is limited solely to providing such services and shall otherwise be subject to the restrictions on Use set forth herein. As used in this Agreement, the term "Licensed Software" means the machine-readable, object code format of the software programs listed in Schedule A (including any third party software embedded therein) and, to the extent delivered to Lehman Brothers hereunder, any upgrades, updates, enhancements, modifications, alterations, improvements, revisions, releases, new versions thereof, including any of the foregoing made available after the Effective Date (collectively, "Upgrades"). Except as set forth in Section C4(d) of Schedule C, the term "Licensed Software" also includes Licensed Software integration work, Licensed Software modifications, and any other deliverables provided by Vendor to Lehman Brothers pursuant to Schedule D ("Deliverables"). The license granted hereunder also includes the right to transfer Licensed Software from one hardware platform or operating system to another hardware platform or operating system (or both) for which the Licensed Software or Deliverables are or becomes generally available, at no additional charge.

1.2 **Restrictions on Use.** Lehman Brothers will not modify, reverse engineer, reverse assemble or reverse compile the Licensed Software or any part thereof, except as otherwise provided pursuant to applicable law. Lehman Brothers may not: (i) use, copy, modify, translate, merge or create derivative works of the Licensed Software, documentation or training materials except as provided in this Agreement; (ii) disable or circumvent any licensing control feature in the Licensed Software in an unauthorized manner; (iii) distribute, lend, sublicense, rent or lease all or any portion of the Software or use the Licensed Software on a service bureau or time-share basis or as an application service provider; (iv) provide access to the Licensed Software to any party other than a Named User (except this shall not preclude Lehman Brothers from using a third party to host or maintain the Licensed Software on Lehman Brothers' behalf); (v) disclose the results of any benchmarking of the Licensed Software (whether or not obtained with Vendor's assistance) to third parties that are not Lehman's service providers; or (vi) remove the copyright and other proprietary rights notices included within the log in screen of the Licensed Software and on and in the documentation and training materials. Notwithstanding the foregoing and without prejudice to any of Lehman Brothers' rights under applicable law, the foregoing prohibition shall not apply to the extent that (a) following written notice by Lehman Brothers, Vendor fails to provide sufficient information to enable Lehman Brothers to (i) create software that interfaces with the Licensed Software, or (ii) correct errors in the Licensed Software at any time when Vendor does not make such services available to Lehman Brothers or is in breach of its Support (as defined) obligations to Lehman Brothers; or (b) such prohibition conflicts with Lehman Brothers' exercise of its rights under Section 1.1.

1.3 **Documentation.** Vendor will provide Lehman Brothers with functional and technical specifications for the Licensed Software, as well as user manuals sufficient to allow Lehman Brothers to utilize fully the capacity and

functionality of the Licensed Software (the "Documentation") and related materials. Vendor will deliver a minimum of two (2) copies of the Documentation to Lehman Brothers upon execution of this Agreement and will revise such Documentation and provide copies thereof to Lehman Brothers from time to time as necessary to reflect any Upgrades to the Licensed Software. Lehman Brothers may make copies of and incorporate the Documentation in works prepared for Lehman Brothers' business endeavors so long as Lehman Brothers includes all copyright, trademark, and other notices of Vendor in the same form as they appear on or in the Documentation.

1.4 **Named Users.** For purposes of this Agreement, "Named User" means any individual for whom there is a user login account permitting such individual to access and Use a component of the Licensed Software.

1.5 **License Configuration.** For purposes of this Agreement, "License Configuration" means the particular components, optional modules and languages of the Licensed Software and the number of Named Users licensed to access and Use each such component or module of the Software pursuant to this Agreement, all as set forth in this Agreement including Schedules hereto.

1.6 **Management of Named Users.** Each individual permitted to access and Use a component of the Licensed Software must be assigned a user login account with a unique user identification and password and will be considered a Named User of that component for purposes of the License Configuration (as defined). Lehman Brothers may not permit more than one person to use a single login account or unique user identification and password to access and Use the Licensed Software or otherwise share login accounts, user identifications or passwords. If Lehman Brothers deactivates Named Users, Lehman Brothers may maintain records in the database for such individuals, but Lehman Brothers may not maintain login accounts for such individuals or otherwise permit them to access and Use the Software. Lehman Brothers may not deactivate a named individual access to the Software and assign such access to another named individual, except that the access of an individual who has retired, been terminated, or been transferred to a division that does not access the Licensed Software may be deactivated by Lehman Brothers and reassigned to another named individual; provided that the total number of named individuals that Lehman Brothers allows to access the Licensed Software does not exceed the number of Named Users licensed hereunder.

1.7 **Hosting Services.** During the Hosting Term, Vendor shall host the Licensed Software in the manner more fully described on Schedule B (the "Hosting Services"). Vendor shall provide the Hosting Services in accordance with the Service Level Metrics in Schedule B.

1.8 **Delivery of Licensed Software.** Within thirty (30) days after the Effective Date, Vendor shall deliver the object code version of Licensed Software to Lehman Brothers. Thereafter, Vendor shall deliver all object code versions of (i) the Upgrades as delivered to other Vendor customers and (ii) the Deliverables as set forth in Schedule D.

1.9 **Lehman Proprietary Items.** Lehman shall own all right, title and interest in any information or materials provided to Vendor hereunder, and all derivations thereof, including without limitation, all intellectual property rights therein and thereto.

2. TERM AND TERMINATION.

2.1 **Term.** The licenses granted hereunder are perpetual. The initial term for Support (the "Initial Support Term") shall commence on Lehman Brothers' acceptance of the Professional Services to be provided under Statement of Work Number One together with the Licensed Software, as more fully set forth in Schedule B, Section 4 (the "Acceptance Date"). The initial term for Hosting Services (the "Initial Hosting Term") shall commence on the Effective Date and shall run for one year.

2.2 **Renewal Option.** Not more than one hundred twenty (120) days and not less than sixty (60) days prior to the expiration of the Initial Support Term or the Initial Hosting Term or any Renewal Term (as defined), Vendor will notify Lehman Brothers in writing of the upcoming expiration. Subject to the renewal pricing terms set out in Section 7.5 (the "Renewal Pricing Terms"), Lehman Brothers may, at its sole option, renew Support or Hosting Services, as

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applicable, for additional one (1) year periods (each a "Renewal Term") by providing written notice to Vendor; provided, however, that Lehman Brothers will be entitled to renew Support or Hosting Services, as applicable, for one or more Renewal Terms whether or not Vendor has provided timely notice in accordance with this Section. In the event Lehman Brothers does not notify Vendor whether or not it chooses to exercise its renewal option, Support or Hosting Services, as applicable, will continue on a month-to-month basis upon the same terms and conditions and without reference to the Renewal Pricing Terms, subject to termination by either party upon thirty (30) days' prior written notice.

2.3 Termination.

2.3.1 Except as provided in Section 2.3.2, in the event of any material breach of this Agreement by either party, the non-defaulting party may terminate this Agreement, in whole or in part, by giving thirty (30) days' prior written notice; provided, however, that this Agreement will not terminate at the end of the thirty (30) day notice period if the party in breach has cured the breach of which it has been notified prior to the expiration of the thirty (30) day period.

2.3.2 In the event that Lehman Brothers fails to make payment of any undisputed, invoiced amounts due hereunder, and such failure continues for a period of thirty (30) days after Lehman Brothers' receipt of written notice thereof, Vendor will have the right to terminate the Licensed Software, Support or Statement of Work to which the payment default relates upon an additional sixty (60) days' prior written notice unless the payment default has been cured before the end of such sixty (60) day period. To clarify, in the event that Lehman Brothers has paid the License Fee, Vendor may not terminate the license grant due to non-payment of support or non-license fees.

2.3.3 After the one year anniversary of the Effective Date, Lehman Brothers will have the right to terminate this Agreement, Support, without cause in whole or in part at any time upon thirty (30) days' notice to Vendor and receive a full refund of any fees for Support or Professional Services that have not been performed and Licensed Software or Documentation that have not been delivered prior to the effective date of termination. At any time after the Effective Date, Lehman Brothers will have the right to terminate (i) the Hosting Services with no prior written notice, upon payment of a cancellation fee equal to one month's Hosting Services fees, and (ii) the Professional Services on written notice.

2.3.4 Either party may terminate Support, Hosting Services and Professional Services in whole or in part immediately upon notice if the other party (a) is liquidated, dissolved, or adjudged to be in a state of bankruptcy or receivership, (b) is insolvent, unable to pay its debts as they become due, or makes an assignment to or for the benefit of its creditors, or (c) ceases to conduct business for any reason on an on-going basis leaving no qualified successor to perform its obligations hereunder.

2.3.5 In the event that Lehman Brothers terminates this Agreement in whole or in part pursuant to Section 2.3.1 or Section 2.3.4: (a) Lehman Brothers may, at its sole option, in the case of Licensed Software (i) return the Licensed Software and related Documentation, in whole or in part, at Vendor's expense, and destroy all copies thereof, and Vendor will promptly refund the applicable license fees, less depreciation calculated annually on a straight-line basis, assuming a useful life of three (3) years, or (ii) continue the perpetual license to use the Licensed Software and related Documentation. In whole or in part, upon payment of the applicable license fees; and (b) Vendor will, in the case of Support, Professional Services and Hosting Services, promptly issue a refund of any prepaid fees unearned as of the date of such termination.

2.3.6 Upon termination of the Hosting Services, Vendor shall deliver the Lehman Brothers database and related information in a mutually agreeable format, and shall assist Lehman Brothers in migrating such data to a replacement system.

3. THIS SECTION IS INTENTIONALLY LEFT BLANK.

4. WARRANTIES, REPRESENTATIONS AND COVENANTS.

Vendor warrants, represents and covenants as follows:

4.1 **Licensed Software Performance.** (a) The Licensed Software when Used in accordance with its Documentation will substantially perform and provide functionality in accordance with such Documentation. (b) The Documentation provided by Vendor will faithfully and accurately reflect the Licensed Software. (c) Upgrades to the Licensed Software provided under this Agreement will not

materially degrade, impair or otherwise adversely affect the performance or operation of the Licensed Software. (d) Each Deliverable will perform and provide functionality in accordance with the applicable Statement of Work.

4.2 **No Destructive Elements.** The Licensed Software and Hosted Services do not and will not contain any computer code, programs or programming devices (a) intentionally designed to disrupt, modify, delete, damage, deactivate, disable, harm or otherwise impede in any manner, including aesthetic disruptions or distortions, the operation of the Licensed Software, Hosted Services or any other associated software, firmware, hardware, computer system or network (sometimes referred to as "Trojan horses," "viruses" or "worms"), (b) that would disable the Licensed Software, Hosted Services, or impair in any way their operation based on the elapsing of a period of time, exceeding an authorized number of copies or advancement to a particular date or other numeral (sometimes referred to as "time bombs," "time locks" or "drop dead" devices), or (c) that would permit Vendor to access the Licensed Software to cause such disablement or impairment (sometimes referred to as "traps," "access codes" or "trap door" devices), or any other similar harmful, malicious or hidden procedures, routines or mechanisms that would cause such Licensed Software to cease functioning or to damage or corrupt data, storage media, programs, equipment or communications, or otherwise interfere with operations (collectively "Destructive Elements"). In the event of Vendor's breach of this Section 4.2, Vendor further agrees to use its best and continuous efforts to immediately eliminate any and all Destructive Elements. Vendor will test each element of the Licensed Software and Hosted Services utilizing the most recent version and the most recent data file of a reputable, commercially available anti-virus-checking software program prior to delivery to Lehman Brothers (whether or not through the Hosting Services) to ensure that it is free of Destructive Elements. Vendor acknowledges that it does not have any right to electronically repossess the Licensed Software.

4.3 **Date Data Processing.** The Licensed Software will accurately recognize, calculate, process and store all same century and multi-century formulas, dates and date notations (including leap years), will resolve ambiguities in date input and output and will have capacity to interoperate with other products used by Lehman Brothers and set forth in Documentation or Statements of Work, and may deliver to or receive records from the Licensed Software, including backup and archived data.

4.4 THIS SECTION IS INTENTIONALLY BLANK.

4.5 **Multiple Currency Processing.** The Licensed Software, if designed to process multiple currency denominations, will correctly input, store, process, convert, retrieve, output, and display monetary amounts denominated in the Euro.

4.6 **Right to Forfeit.** The Vendor has the right to furnish, and Lehman Brothers has the right to Use, in accordance with the terms of this Agreement, free of all liens, claims, encumbrances and other restrictions, and free of any third party rights, interests, license or support fees (i) the Licensed Software (including without limitation, any third party software embedded in or which constitutes the Licensed Software) and (ii) any services provided hereunder, including without limitation the Hosting Services, Professional Services and other services.

4.7 **Professional Services.** The Support, Hosting Services, and Professional Services will be performed in a high quality, professional manner by qualified personnel.

4.8 **Export Control Regulations.** As of the Effective Date, all Licensed Software is, and as of the date on which any Licensed Software is provided to Lehman Brothers hereunder, such Licensed Software, as applicable, will be exportable without restriction except to those countries expressly excluded from License Exception ENC pursuant to 15 C.F.R. 740.17 (2002), or any applicable successor regulation thereto. Each party who exports, re-exports or imports the Licensed Software assumes responsibility for complying with applicable laws and regulations, and for obtaining required export and import authorizations. In order to facilitate Lehman Brothers' compliance with this Section, Vendor will notify Lehman Brothers within thirty (30) days of any modifications made by vendor to the encryption levels present in any Licensed Software.

4.9 **Additional Software.** (a) No additional software or licenses are required for effective use of the Licensed Software including, without limitation, for effective use of any database components thereof, and (b) to the extent that the Licensed Software is used in conjunction with a Web browser, no plug-ins or non-standard browser components are required for effective use of the Licensed Software.

4.10 **Warranty Period.** (a) In the event that, during the Warranty Period (as defined), any part of the Licensed Software or Professional Services fail to substantially conform to any of the warranties, representations and covenants set forth in Section 4.1, Section 4.2, Section 4.3, Section 4.5, Section 4.7, Section 4.8 or Section 4.9, Vendor will at its sole expense and without limitation of Vendor's other obligations under this Agreement or Lehman Brothers' rights or remedies at law or equity (i) use best efforts to repair or replace the defective Licensed Software, or Professional Services (ii) if Vendor is unable to repair or replace the defective Licensed Software or re-perform the Professional Services, refund all fees paid to Vendor for such Licensed Software or Professional Services. The "Warranty Period" means the period beginning on the acceptance date of the applicable software or Professional Services and ending ninety (90) days thereafter. The Initial Warranty Period shall begin on the Acceptance Date (as defined above).

4.11 **Disclaimer.** EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH IN SECTION 4 OF THIS AGREEMENT, EACH PARTY EXPRESSLY DISCLAIMS ANY EXPRESS, IMPLIED OR STATUTORY WARRANTIES AND CONDITIONS (INCLUDING THOSE BY VENDOR'S SUPPLIERS), INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT, AS WELL AS ANY WARRANTIES THAT THE LICENSED SOFTWARE OR THE SERVICES WILL BE FREE OF INTERRUPTIONS OR ERRORS. Some jurisdictions do not allow limitations on how long an implied warranty or condition lasts, so the above limitation may not apply.

5. **LIMITATION ON LIABILITY.** UNDER NO CIRCUMSTANCES WILL EITHER PARTY BE LIABLE FOR LOST PROFITS OR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES OF ANY KIND, HOWSOEVER CAUSED. VENDOR'S AGGREGATE CUMULATIVE LIABILITY FOR ANY DAMAGES, DIRECT OR INDIRECT, IN CONNECTION WITH THE LICENSED SOFTWARE, ANY SERVICES OR DELIVERABLES PROVIDED UNDER THIS AGREEMENT SHALL NOT EXCEED TWO TIMES THE AMOUNT PAID HEREUNDER WITH RESPECT TO SUCH LICENSED SOFTWARE, SERVICES OR DELIVERABLES WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT OR OTHERWISE. THE LIMITATIONS OF THIS PARAGRAPH DO NOT APPLY TO (i) EITHER PARTY'S OBLIGATION OF INDEMNITY AND BREACHES OF CONFIDENTIAL INFORMATION OBLIGATIONS HEREUNDER AND (ii) A PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT AND (iii) VENDOR'S BREACH OF THE LICENSE GRANT AND RESTRICTIONS CONTAINED IN SECTION 1 PROVIDED THAT DAMAGES FOR BREACH OF (iii) SHALL BE DETERMINED BY REFERENCE TO VENDOR'S THEN-CURRENT STANDARD FEE SCHEDULE TO THE EXTENT PRACTICABLE.

6. SUPPORT AND PROFESSIONAL SERVICES.

(a) During the Support Term, Vendor will provide the technical support services described in Schedule C ("Support").

(b) Vendor agrees to provide mutually agreed upon programming, customization and other developmental services (collectively the "Professional Services") in accordance with this Agreement and the provisions set out in Schedule D.

7. PRICING AND PAYMENT.

7.1 **Fees.** The fees for the Licensed Software, Hosting Services, Support and Professional Services are set forth in Schedule E.

7.2 **Payment Terms.** Invoices are due within thirty (30) days of Lehman Brothers' receipt of Vendor's invoice, except for any disputed amounts.

7.3 **Taxes.** Lehman Brothers will pay all sales, use, value added or similar taxes, exclusive of corporate franchise taxes, or taxes based upon Vendor's income or personnel.

7.4 THIS SECTION IS INTENTIONALLY BLANK.

7.5 **Renewal Pricing Terms.** Vendor shall not increase fees for Hosting Services or Support during the Initial Hosting Term or the Initial Support Term, or during the first one-year renewal term for each thereafter, if applicable.

Thereafter, Support fees and Hosting Services fees for any Renewal Term will not exceed the lesser of (a) 105% of the applicable fee during the immediately preceding twelve (12) month period or (b) the fee for the immediately preceding twelve (12) month period adjusted for any increase in the Consumer Price Index during such period. For purposes of this Section, "Consumer Price Index" means Consumer Price Index for All Items, U.S. City Average, All Urban Consumers (base year 1982-1984=100), published by the Bureau of Labor Statistics of the U.S. Department of Labor.

8. CONFIDENTIALITY.

8.1 **Confidential Information.** "Confidential Information" means, for information supplied by Lehman Brothers, any information obtained by Vendor that relates to the past, present or future business activities of Lehman Brothers, its subsidiaries and affiliates or their respective employees, customers or third party contractors, including any information relating to the plans, pricing, methods, methodologies, processes, financial data, lists, Intellectual Property Rights, customer information, apparatus, statistics, programs, research, development, information technology, the terms and existence of this Agreement or related information, and any and all past, present and future agreements and/or business arrangements that have been, are, or are anticipated to be entered into by the parties. "Confidential Information" means, for information supplied by Vendor, any and all trade secrets in the Licensed Software and Documentation, as well as terms and existence of this Agreement or related information, and any and all past, present and future agreements and/or business arrangements that have been, are, or are anticipated to be entered into by the parties, and all other information disclosed to Lehman Brothers and marked as "Confidential" by Vendor.

8.2 **Exceptions.** Confidential Information does not include information that is (a) previously known to the receiving party, free from any obligation to keep it confidential, (b) publicly disclosed the disclosing party either prior to or subsequent to the receipt by the receiving party of such information, (c) independently developed by the receiving party without any access to the Confidential Information, or (d) rightfully obtained by the receiving party from a third party lawfully in possession of the Confidential Information who is not bound by confidentiality obligations to the disclosing party.

8.3 **Treatment of Confidential Information.** Each party will hold all Confidential Information in confidence for the other party and, except as set forth in this Agreement or as otherwise may be authorized by such party in writing, neither party will disclose to any person, firm or enterprise, or use for its own benefit, any such Confidential Information. Each party may disclose Confidential Information to its employees solely as required in order to perform their obligations or exercise rights under this Agreement. Either party may disclose Confidential Information if required to do so under applicable law, rule or order; provided that the receiving party, where reasonably practicable and to the extent legally permissible, provides the disclosing party with prior written notice of the required disclosure so that the disclosing party may seek a protective order or other appropriate remedy; and provided further that the receiving party discloses no more Confidential Information than is reasonably necessary in order to respond to the required disclosure.

8.4 **Return of Confidential Information.** At any time upon the request of the disclosing party, and in the event of termination of this Agreement, each party shall return, or destroy if so directed by the disclosing party, all Confidential Information, including all copies thereof and notes and other materials incorporating the Confidential Information, whether in physical or electronic form. This section shall not limit Lehman Brothers' rights to use the Licensed Software or services as set forth in this Agreement.

8.5 **Injunctive Relief.** In the event of a breach or threatened breach of the provisions of this Section, the disclosing party may have no adequate remedy in money or damages and, accordingly, may seek an injunction against such breach.

8.6 **Security Program.** Vendor shall maintain, and shall require all third parties to which it is permitted to disclose Lehman Brothers' Confidential Information under this Agreement to maintain, effective information security measures to protect Lehman Brothers' Confidential Information from unauthorized disclosure or use. In the event Vendor shall receive non-public personal account information, such security measures will be designed to meet the objectives of (a) the Interagency Guidelines Establishing Standards for Safeguarding Customer Information, published in final form on February 1, 2001, 66 Fed. Reg. 8616, and the rules promulgated thereunder, as amended from time to time, (b) the Standards for Safeguarding Customer Information found at 16 CFR § 314, as well as (c) any similar standards promulgated under

Gramm-Leach-Bliley Act (also known as the Financial Services Modernization Act, and referred to herein as "GLB") or other applicable law. Vendor shall promptly provide Lehman Brothers with information regarding such security measures upon the reasonable request of Lehman Brothers, and promptly provide Lehman Brothers with information regarding any failure of such security measures or any security breach related to Lehman Brothers' Confidential Information. Vendor shall use commercially reasonable efforts to comply with all requests by Lehman Brothers to modify its privacy practices and/or information security measures which Lehman Brothers believes in good faith to be required in order for Lehman Brothers to comply with all federal, state and local laws, rules, regulations and ordinances governing or relating to privacy rights, including, without limitation, GLB.

9. INSURANCE.

9.1 **Forms of Insurance.** Vendor agrees to obtain and maintain and keep in full force and effect, at Vendor's expense, the following forms of insurance with the minimum limits of insurance stated below:

Form of Insurance	Minimum Limits of Insurance
(a) Disability	As required by law
(b) Unemployment	As required by law
(c) (1) Workers Compensation and (2) Employers Liability	Statutory \$1,000,000 per occurrence (BI/disease)
(d) Professional Liability. Such insurance should be endorsed to cover services provided by subcontractors if any.	\$5,000,000 per occurrence and aggregate
(e) Commercial General Liability on an occurrence basis, including premises operations, products and completed operations, contractual liability, and personal and advertising injury coverages, naming Lehman Brothers as an additional insured by endorsement to the policy.	\$1,000,000 per occurrence and aggregate
(f) Commercial Automobile Liability covering all leased, owned and non-owned vehicles and naming Lehman Brothers as an additional insured by endorsement to the policy.	\$1,000,000 per occurrence combined single limit for bodily injury and property damage liability
(g) Umbrella Liability on a follow form basis.	\$4,000,000 per occurrence and aggregate excess of the Commercial General Liability and Commercial Automobile Liability Insurance
(h) Fidelity Bond, including third party liability or client coverage and naming Lehman Brothers as a loss payee by endorsement to the policy.	\$500,000 per occurrence and aggregate

9.2 **Coverage.** All insurance coverage required herein will provide primary coverage for all losses and damages caused by the perils or causes of loss covered thereby. Vendor agrees to have included in each of the insurance policies required herein a waiver of the insurer's rights of subrogation against Lehman Brothers.

9.3 **Certificates of Insurance.** Each insurance policy will be maintained with an insurer having a rating of at least an "A-" in the most currently available Best's Insurance Reports and will provide for at least thirty (30) days' prior written notice to Lehman Brothers in the event of any modification or cancellation. Vendor will furnish Lehman Brothers with certificates of insurance in satisfactory form, evidencing its compliance with these provisions.

10. THIS SECTION IS INTENTIONALLY BLANK.

11. **SOURCE CODE.** At Lehman Brothers' request, Vendor shall make available to Lehman Brothers a source code escrow account, on the terms set forth in Schedule D.

12. INDEMNIFICATION.

12.1 **Infringement.** In accordance with the indemnification procedures set forth in Section 12.7, at no expense to Lehman Brothers, Vendor will defend, indemnify and hold harmless Lehman Brothers, its affiliates and their respective successors, assigns, officers, directors and employees (collectively,

"Indemnitees") from damage, loss, liability, costs and expenses of any kind (including reasonable attorneys' fees) (collectively, "Loss") relating to or arising out of any claim that any Licensed Software (including any third party software embedded therein), or services provided hereunder (collectively, the "Product"), any portion thereof, or the use thereof, infringes any patent, published patent application, copyright, trademark, service mark, trade secret or other intellectual property or industrial property rights of any third party (collectively "Intellectual Property Rights"). In addition to Lehman Brothers' other rights and Vendor's obligations, if all or any part of a Product is, or in the opinion of Vendor may become, the subject of any claim or suit for infringement of any Intellectual Property Right, Vendor may, and in the event of any adjudication that the Product or any part thereof does infringe or if the use of the Product or any part thereof is enjoined, Vendor at its expense will promptly: (a) procure for Lehman Brothers, at no additional cost to Lehman Brothers, the right to use the Product or the affected part thereof; or, to the extent such option is not available to Vendor on commercially reasonable terms following best efforts to procure such right (b) replace the Product or affected part with a modified or substituted Product or part that does not violate any third party's Intellectual Property Rights and that is qualitatively and functionally at least the equivalent of the affected Product or part. If neither (a) nor (b) is available to Vendor on commercially reasonable terms following best efforts to procure the same, and Vendor has so advised Lehman Brothers, or if Vendor has not promptly performed in accordance with (a) or (b) above, Lehman Brothers may, at its option, surrender the Products purchased under this Agreement in whole or in part and receive a refund of the aggregate payments made by Lehman Brothers for the applicable Products.

12.2 **Injury to Persons or Property.** In accordance with the indemnification procedures set forth in Section 12.7, Vendor will defend, indemnify and hold harmless the Indemnitees from Loss arising from injury to persons or property caused by the fault or negligence of Vendor's officers, personnel (including, without limitation, Vendor's subcontractors), agents or representatives.

12.3 **Vendor Personnel.** In accordance with the indemnification procedures set forth in Section 12.7, Vendor assumes sole and full responsibility for the acts of its personnel (including, without limitation, Vendor's subcontractors) and will indemnify and save harmless Indemnitees from Loss with respect to any and all claims on account of any Loss resulting from breach of any duty or theft of material or services by any such person; provided, however, that Vendor's obligation to indemnify will not apply to any Loss caused solely by the misconduct or negligence of Indemnitee's employees or of other individuals not employed or engaged by Vendor. Vendor warrants and represents that it is an independent contractor and its personnel are not Lehman Brothers' agents or employees for federal, state, and local tax purposes or any other purposes whatsoever, and are not entitled to any compensation from Lehman Brothers or any Lehman Brothers employee benefits. Vendor acknowledges and agrees that its personnel (including, without limitation, Vendor's subcontractors) are solely employees of Vendor and that, as their employer, Vendor shall be solely responsible for the recruitment, hiring, training, utilization, assignment, re-assignment, promotion, discipline, termination, or other employment-related activities concerning such personnel. Vendor will defend, indemnify and hold harmless Indemnitees from Loss arising out of (a) Vendor's actions as an employer of its personnel (including, without limitation, any subcontractors), (b) any claim or action alleging that Indemnitees should be deemed the "employer" or "joint employer" of any of Vendor's personnel (including, without limitation, any Assigned Contractor), or (c) any claim arising from Vendor's failure to comply with applicable laws. Vendor warrants and represents that each of its personnel (including, without limitation, each of Vendor's subcontractors) is an employee of Vendor and that Vendor will withhold and pay all applicable income and payroll taxes with respect to such personnel. Vendor is solely responsible for the compensation of its personnel (including, without limitation, any subcontractors), and payment of workers' compensation, disability and other similar benefits, unemployment and other similar insurance, for withholding income and payroll taxes and for verifying the work eligibility of each such individual, including the completion and maintenance of Form I-9 (for purposes of determining authorization to work in the United States). Vendor has sole responsibility for activities of Vendor and its personnel (including, without limitation, any subcontractors), and may not bind or otherwise obligate Lehman Brothers in any manner.

12.4 **Confidentiality Obligations.** In accordance with the indemnification procedures set forth in Section 12.7, each party will defend, indemnify and hold harmless the other party and their affiliates and their respective successors, assigns, officers, directors and employees from Loss arising from any breach of the confidentiality obligations by such party, its officers, personnel (including, without limitation, Vendor's subcontractors), agents and representatives.

12.5 Settlement of Claims. Vendor will not settle or otherwise dispose of any indemnified claim or action in a manner adversely affecting any Product or the rights of Lehman Brothers, or imposing liability or obligation on an Indemnitee, without Lehman Brothers' prior written consent.

12.6 Claims Related to Customer Material or Customer Applications. In accordance with the indemnification procedures set forth in Section 12.7, Lehman Brothers will, at its expense, defend and/or settle any claim, suit or proceeding brought by a third party against Vendor or its officers, directors, employees, agents and affiliates and arising out of or relating to a third-party claim that information or materials not provided by Vendor, except that Lehman Brothers shall have no such obligation and Vendor shall indemnify the Indemnitee, in the event the claim is based on a combination of the Licensed Software with information or materials not provided by Vendor if such combination is contemplated or authorized by the Documentation or Statement of Work.

12.7 Indemnification Procedures. The indemnifying party will give the indemnified party prompt written notice of any threat, warning or notice of any such claim or action requiring indemnification as set forth in this Section 12. The indemnifying party shall have the right to conduct the defense of any such claim or action and, consistent with the indemnified party's rights hereunder, all negotiations for its settlement; provided, however, the indemnified party may participate in such defense or negotiations to protect its interests, at its expense using counsel of its choice, and the indemnifying party will provide reasonable assistance to the indemnified party and its counsel. In addition, the indemnifying party will pay any judgment awarded against the indemnified party or any settlement amount agreed to.

13. COMPLIANCE WITH LAWS.

13.1 Employment Laws. Vendor will comply with all applicable employment laws and will further comply with the requirements of Executive Order 11246, the Vietnam Veterans' Readjustment Assistance Act of 1974, as amended, the Rehabilitation Act of 1973, as amended, and the applicable implementing regulations and reporting requirements under each of the foregoing, each of which is incorporated herein by reference.

13.2 Foreign Corrupt Practices. Vendor is fully aware of and has complied with, and in the performance of its obligations under this Agreement shall not take any action or omit to take any action that would cause it to be in violation of, the U.S. Foreign Corrupt Practices Act of 1977 and all regulations promulgated there under.

13.3 Export Restrictions. Each party who exports, re-exports or imports the Software assumes responsibility for complying with applicable laws and regulations, and for obtaining required export and import authorizations. Vendor represents and warrants that as of the Effective Date, all Software is exportable without restriction except to those countries expressly excluded from License Exception ENC pursuant to 15 C.F.R. 740.17 (2002). In order to facilitate Lehman Brothers' compliance with this Section, Vendor will notify Lehman Brothers within thirty (30) days of any request by Lehman Brothers of the level of encryption present in any Software and any applicable information in relation to licenses Vendor has obtained for its export of the Software out of the United States.

14. DISASTER RECOVERY / BUSINESS CONTINUITY

14.1 Disaster Recovery. Vendor shall provide disaster recovery and backup capabilities and facilities through which it will be able to render the Services to Lehman Brothers with minimal disruptions or delays. Vendor shall provide at its sole cost and expense (a) a geographically dispersed disaster recovery site and associated solution; and (b) a geographically dispersed customer service organization. As part of the Services, Vendor shall: (i) develop a disaster recovery plan for Lehman Brothers' written approval ("DRP") and implement such DRP within thirty (30) days from the Effective Date, (ii) within sixty (60) days of the Effective Date, and at least once every calendar year during the term of the Agreement, test the operability of the DRP, (iii) upon Lehman Brothers' request, certify to Lehman Brothers that the DRP is fully operational, and (iv) upon discovery by Vendor, immediately implement the DRP upon the occurrence of a disaster or other event affecting the delivery or receipt of the Services ("Disaster") and promptly provide Lehman Brothers with a written notice of the Disaster. Vendor shall reinstate the Services within fourteen (14) days of a Disaster. Reinstating the Services of Lehman Brothers shall receive as high or greater priority as that of Vendor's affiliates and other customers. In

the event of a Disaster, Vendor shall not increase its charges under this Agreement.

15. GENERAL.

15.1 Governing Law/Jurisdiction. This Agreement will be governed by and construed under the laws of the State of New York excluding its conflict of laws rules. The parties irrevocably submit to the exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the borough of Manhattan, New York, New York, and the appellate courts thereof.

15.2 Shrinkwrap and Clickwrap Void. All shrinkwrap and clickwrap licenses that purport to govern the terms of use of any Product licensed by Vendor to Lehman Brothers pursuant to this Agreement or otherwise will be void.

15.3 No Publicity. Vendor will not use the name or marks, refer to, or identify Lehman Brothers or any Lehman Brothers affiliate in publicity releases, promotional or marketing materials, announcements, customer listings, testimonials, or advertising.

15.4 Force Majeure. Neither party to this Agreement will be liable for any delay or failure to perform its obligations hereunder caused by an event of natural disaster, casualty, acts of God, riots, terrorism, governmental acts or such other event of similar nature that is beyond the reasonable control of the party seeking to rely on this Section 15.4 to excuse its delay or failure; provided, however, that such party will not have contributed in any way to such event. Vendor will maintain commercially reasonable disaster recovery measures to prevent or cure the delay or failure. If the delay or failure continues beyond ten (10) calendar days, Lehman Brothers may terminate this Agreement in whole or in part with no further liability and will receive a refund of any prepaid fees unearned as of the time of termination.

15.5 Assignment. Neither this Agreement nor any part hereof may be assigned (whether by operation of law or otherwise) by either party without the other party's prior written consent (not to be unreasonably withheld) and any such assignment will be void. Such consent may be withheld in the case of an assignment to a competitor. Notwithstanding the foregoing, Lehman Brothers may assign this Agreement or any of its rights or obligations hereunder upon written notice to Vendor, to any of its affiliated companies or to an entity with or into which it is merged or consolidated or to which it sells all or substantially all its capital stock or assets associated with the operations for which the Products are Used, without the consent of Vendor. This Agreement will be binding upon the parties' respective successors and assigns. Without limiting the foregoing, Vendor will not subcontract Support, Hosting Services or any Professional Services without Lehman Brothers' prior written consent. If Lehman Brothers consents to subcontracting, Vendor will remain primarily liable for the performance of such obligations and will be responsible for the acts and omissions of its permitted subcontractors as if such acts and omissions were those of its employees.

15.6 Notice. All notices relating to this Agreement will be in writing and delivered personally, by overnight delivery service or first class prepaid mail with return receipt requested to (a) in the case of Vendor, its address as first set forth above and (b) in the case of Lehman Brothers, Director of Global Procurement Services, 745 Seventh Avenue, New York, New York 10019, with a copy marked to the attention of the General Counsel at the same address. Invoices will be sent to: Lehman Brothers Inc., Technology Expense, 70 Hudson Street, 10th Floor, Jersey City, New Jersey 07302-4585. Any notice hereunder will be effective upon receipt by the party to which such notice is addressed.

15.7 Entire Agreement. This Agreement (including all Schedules and Statements of Work hereto, each of which is hereby expressly incorporated by reference herein) is the entire agreement of the parties and supercedes all previous and contemporaneous communications, presentations, proposals, or agreements regarding the subject matter hereof. This Agreement cannot be amended or waived except by a physical writing manually signed by both parties. With respect to any Assigned Contractor of Vendor assigned by Vendor to work pursuant to any Statement of Work, any limitation on freedom of movement of such Assigned Contractor, as memorialized in any writing between Vendor and the Assigned Contractor, will be inoperative and unenforceable with respect to Lehman Brothers and will be superseded by the provisions of this Agreement. Terms contained in any documentation that purport to address the legal rights or obligations of the parties or otherwise conflict with this Agreement shall be of no force or effect.

15.8 Waiver; Remedies Non-Exclusive. No failure or delay on the part of any party in exercising any right or remedy provided in this Agreement will operate as a waiver thereof; nor will any single or partial exercise of or failure to exercise any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy provided herein or at law or in equity. Except as expressly provided herein, no remedy specified in this Agreement is intended to be exclusive of any other remedy, and each and every remedy will be cumulative and in addition to every other right or remedy provided herein or available at law or in equity.

15.9 Enforceability. If any provision of this Agreement is held to be unenforceable, the remaining provisions of this Agreement will be unimpaired and will remain in full force and effect.

15.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

15.11 Facsimile Copy. A facsimile of a signed copy of this Agreement or other copy made by reliable mechanical means may be relied upon as an original. If there is any inconsistency between the facsimile and a subsequently received hard copy, the facsimile will control.

15.12 Headings. The headings in this Agreement are for purposes of reference only and will not in any way limit or affect the meaning or interpretation of any of the terms hereof.

15.13 Survival. Sections 1 (except for Sections 1.7 and 1.8), 2.3, 5, 8, 11, 12, 13 and 15 will survive termination or expiration of this Agreement for any reason.

15.14 Relationship of the Parties. Vendor is an independent contractor of Lehman Brothers and is and will not be an agent of Lehman Brothers for any purpose. Vendor has sole responsibility for activities of Vendor and its personnel and may not bind or otherwise obligate Lehman Brothers in any manner.

15.15 Audit. (a) Lehman Brothers agrees to maintain accurate and detailed records of the number of Named Users licensed to use the Licensed Software. Vendor shall have the right to verify the number of Named Users licenses purchased by Lehman Brothers under this Agreement in a mutually agreeable manner. Lehman Brothers agrees that Vendor shall have the right to audit, once annually, Lehman Brothers' records for compliance with this Agreement at a mutually agreed upon time during its normal business hours upon reasonable notice, during the Initial Term or any Renewal Term, and subject to Lehman Brothers' reasonable security procedures. Lehman Brothers agrees that if any underpaid fees are in excess of ten percent (10%) of the total fees due under this Agreement, then Lehman Brothers shall pay the deficiency and Vendor's reasonable costs of conducting the audit.

(b) Vendor agrees to maintain accurate and detailed accounting and performance records in connection with the Licensed Software, Deliverables and any of the Services provided hereunder. Vendor agrees that Lehman Brothers shall have the right to audit, once annually, Vendor's records for compliance with this Agreement at a mutually agreed upon time during its normal business hours upon reasonable notice, during the Initial Term or any Renewal Term. Vendor agrees that if any fees paid (or credits not received) by Lehman Brothers are in excess of ten percent (10%) of the total fees due under this Agreement, then Vendor shall pay the deficiency and Lehman Brothers' reasonable costs of conducting the audit.

The parties have caused this Agreement to be executed by their respective authorized representatives.

LEHMAN BROTHERS INC.

By: Nancy N. Murray
Authorized Signature

Printed Name: Nancy N. Murray

Title: Vice President

Date: 12/31/04

SUMTOTAL SYSTEMS, INC.

By: Neil J. Laird
Authorized Signature

Printed Name: NEIL J. LAIRD

Title: S.R. VP CFO

Date: 12/31/04

Approved
SumTotal
Legal

[Signature]

Approved
SumTotal
Finance

[Signature]
12/31/04

Approved
SumTotal
Finance

[Signature]
12/31/04

**SCHEDULE A
LICENSED SOFTWARE**

The Licensed Software includes:

SumTotal 7.0 consisting of the following components:

- TotalLMS, which includes the following components:
- Personalized Delivery module

The following third party software shall be deemed Licensed Software for purposes of this Agreement:

- * Dynazip
- * J Upload from Persists Software.
- * Milonic DHTML Menu Version 5.0.
- * Any other third party software delivered by Vendor, if any

SCHEDULE B
HOSTING SERVICES AND SERVICE LEVEL METRICS

This Schedule sets forth the additional terms and conditions under which Vendor will provide hosting services in connection with the Licensed Software licensed to Lehman Brothers pursuant to this Agreement.

1. Licensed Software Hosting Services.

(a) Installation and Configuration. Vendor will install and configure the Licensed Software on the Hosting Environment (as defined below), and Vendor will host the Licensed Software and any Customer Materials used in conjunction with the Licensed Software for Lehman Brothers using the Hosting Environment. Vendor will begin such installation and configuration following Lehman Brothers' request to do so. An email request sent to the Lehman Brothers project manager is acceptable to initiate the installation and configuration of the Hosting Environment.

(b) Hosting Environment. Vendor will provide all hardware, software, materials, Internet connections, telecommunication services and other items necessary for the proper operation and hosting of the Licensed Software and any applicable Customer Materials, as further described in Schedule B-1 (the "Hosting Environment") and Vendor will own all right, title, and interest in and to such items other than the Customer Materials and except as expressly provided in the Agreement. Lehman Brothers is responsible for providing client-side computers and Licensed Software meeting the technical requirements Vendor provides for the Licensed Software being hosted hereunder. The Hosted Environment may change on written agreement of the parties.

(c) Loading of Online Courses. Online course material can usually be loaded into the Hosting Environment directly by Lehman Brothers using the LMS Licensed Software interface without intervention by Vendor's hosting services staff. If a course cannot be loaded through the LMS Licensed Software Interface, Lehman Brothers must provide such course files to us via a file transfer program if Lehman Brothers desires such courses to be loaded into the Hosting Environment. Vendor's data center staff will then copy such course files into the Hosting Environment and provide Lehman Brothers with the launch path to configure those courses within the LMS Licensed Software using the LMS Licensed Software interface.

(d) Security. Vendor will maintain the Hosting Environment at a reputable third party Internet service provider and hosting facility, where it is subject to commercially reasonable security precautions to prevent unauthorized access to the Hosting Environment. However, Lehman Brothers acknowledges that, notwithstanding such security precautions, use of or connection to the Internet provides the opportunity for unauthorized third parties to circumvent such precautions and illegally gain access to the Hosting Environment, Licensed Software and Customer Materials. ACCORDINGLY, VENDOR CANNOT AND DOES NOT GUARANTEE THE PRIVACY, SECURITY OR AUTHENTICITY OF ANY INFORMATION SO TRANSMITTED OVER OR STORED IN ANY SYSTEM CONNECTED TO THE INTERNET.

(e) 24 x 7 Access. The Hosting Environment will operate 24 hours per day, seven days per week, including all legal holidays, except for Scheduled Maintenance (as defined below). Upon receipt of notice that service to the Hosting Environment is interrupted Vendor will promptly take all reasonable steps to restore such service as rapidly as practicable. An interruption in service to the Hosting Environment shall not be considered a breach of Vendor's obligations hereunder if: (i) Vendor promptly takes all reasonable steps to restore such service or (ii) the interruption in service results from causes beyond Vendor's reasonable control. However, Lehman Brothers will still be entitled to the remedies set forth in Section 4 of this Schedule B.

2. Fees and Invoicing.

(a) Hosting Fees. The Hosting fees will be fixed for the Initial Hosting Term and modifications to such fees may be made after the Initial Hosting Term only as provided in Section 7.5 of the Agreement. Hosting fees begin to accrue on the first date on which the Effective Date of the Agreement. Monthly hosting fees will be invoiced no earlier than the beginning of each month for so long as Vendor is providing hosting services hereunder. (Hosting fees for any interim partial month between the Effective Date and the first day of the month beginning after the Effective Date shall be prorated based on the number of days remaining in such month times 1/30 of the monthly hosting fee, and will be invoiced following the Effective Date.

(b) Changes to License Configuration. If Lehman Brothers elects to increase its License Configuration by adding additional Licensed Software components, option modules, and/or Named or Concurrent Users, its monthly hosting fee may increase and it may be charged set-up fees for the installation, configuration and testing of the upgraded Hosting Environment equal to the increase in the monthly hosting rate for one month. The increase in the monthly hosting rate will be set forth in a Hosting Environment Amendment signed by both parties. The new monthly hosting fee and set up fee will be invoiced on the next monthly invoice following Vendor's receipt of Lehman Brothers' signed Hosting Environment Amendment.

(c) Secure Socket Layer (SSL). If Lehman Brothers requires SSL encryption, then Vendor will provide, install and test the SSL encryption as set forth on in this Agreement.

3. Service Level Commitment.

(a) Availability and Monitoring. The Hosting Environment will be available to Lehman Brothers users at least 99.95% of the time, not including Scheduled Maintenance. If Vendor does not meet this guaranteed availability level, Lehman Brothers will be entitled to a discount as provided herein. The production Hosting Environment is tested for availability every 5 minutes by performing the complete user login process. For this purpose, and to enable Vendor to troubleshoot problems as necessary, Vendor uses an administrator account on each Hosting Environment. If the Hosting Environment fails to respond to Vendor's automated testing, manual testing is used to confirm the failure, at which point the Hosting Environment is considered unavailable from the time of first failure to respond until service is restored. Percentage

availability is determined by number of minutes available as a percentage of the number of minutes in a month. Vendor will provide Lehman Brothers with copies of the monitoring reports at Lehman Brothers's request.

exclusive remedy for a service interruption to the Hosting Environment except in the event of "Major Unavailability" which standard shall be agreed upon by the parties in writing.

(b) Scheduled Maintenance. Vendor conducts regular preventive maintenance to ensure the proper operation of the Hosting Environment. Due to the redundancy within Vendor's hosting environment, most maintenance can be done without any service interruption. Any non-emergency shutdown that requires the Hosting Environment to be unavailable will be scheduled at least three days in advance with notice to Lehman Brothers of the interruption times (typically weekends after 9 PM). Maintenance shut downs will not exceed an average of two hours per month.

(c) System Backups and Restoration. As part of the Hosting Services, Vendor will provide backups to the Hosting Environment as follows: (i) an incremental backup will be conducted every day; (ii) a full weekly backup will be conducted every week; and (iii) a full backup will be conducted every month, which also serves as the full weekly backup for that week. At the end of each week, the backup tapes are sent off site and stored as follows: one month for daily backups, six months for weekly backups and two years for monthly backups. Vendor will perform restorations to the Hosting Environment in the event of a service failure. Vendor will respond to Lehman Brothers' requests for restoring files within one business day.

(d) Response Times. Vendor provides proactive monitoring of the Hosting Environment. Vendor's data center staff is automatically notified by the monitoring systems within 15 minutes of an outage or problem with the Hosting Environment. Lehman Brothers agree to direct any inquiries regarding the operation and status of the Hosting Environment to Vendor's customer support. The customer support team will coordinate resolution with the data center staff. Vendor maintains escalation and tracking procedures between customer support and the data center staff.

(e) Non-Exclusive Remedy. If the Hosting Environment is not available as set forth in this Schedule B in any given month (excluding any scheduled maintenance interruptions) then Lehman Brothers' next monthly invoice will include a discount off the monthly hosting fees due for the next month equal to one day of hosting fees, plus one additional day of hosting fees for each increment of one tenth of one percentage point (0.1%) below the standard for the availability set forth in 3(a) above. If the Hosting Environment is not available as set forth in this Schedule B for two of three consecutive months (excluding any scheduled maintenance interruptions) then Lehman Brothers' next monthly invoice will include a discount off the monthly hosting fees due for the next month equal to one (1) month of hosting fees. These discounts will not apply if the interruption in service results from problems in or caused by Lehman Brothers' Customer Materials, software Lehman Brothers provides or a force majeure event, so long as Vendor promptly takes commercially reasonable steps to restore such service as rapidly as practicable. The discount applies to hosting fees only and not any additional services provided. The discount will be limited to Hosting Environments actually impacted within the affected data center and will be applied against Lehman Brothers' next monthly invoice. These discounts are Lehman Brothers' -

Hosting Service Overview
Schedule B-1



Hosting Service Overview

This document describes the benefits, technical infrastructure, security, and support for the SumTotal Enterprise Suite (SES) hosting service.

Benefits of a Hosted Enterprise Learning Management Platform

Save time – By having SumTotal Systems host SES (SumTotal Enterprise Suite), the system will be up and running in a shorter time period, enabling our customers to realize the value of your e-Learning investment sooner.

Minimize business disruption – SumTotal's staff handles the implementation process, allowing our customers and their staffs to focus on other business opportunities.

Find security in our knowledge and expertise – SumTotal's long experience in developing and implementing e-Learning management systems provides our customers with the peace of mind of knowing their systems are optimally configured. Additionally, SumTotal's customer support and data center staff's work together seamlessly to resolve issues. We take responsibility for resolving all system-related problems.

Save money – When our customers choose SumTotal's hosted solution, they do not purchase any server hardware, or server software. No personnel costs are incurred in learning how to maintain, monitor and troubleshoot SES, or care for the network infrastructure. Our SES Network Engineers are 100% focused on hosting SES, and are experts. This minimizes our customers' risk and provides a faster return on their investment.

Trustworthy data security – SumTotal is the expert in setting up and maintaining e-Learning infrastructures. So our customers can be confident that their networks are protected by industry-leading security technology that ensures the highest levels of data integrity. Within our secure data center we have multiple layers of security that protect the privacy of our customers' data. Additionally, our customers' intellectual property is protected through our continuous monitoring and maintenance.

Maximize performance – SumTotal's hosting systems run mission-critical, Internet-based applications from a state-of-the-art facility that meets or exceeds the most stringent customer requirements, including financial institutions. Our customers can be certain that their e-Learning system has superior throughput and reliability.

Service Components

Service	Description
Application Hosting Service	SumTotal hosts the SES software in our state-of-the-art data center. We are responsible for installing and configuring the database, web servers, SMTP, FTP, DNS and backup servers that constitute the learning infrastructure. In addition, SumTotal provides robust security by hosting our customers' learning solution in a facility that is both physically and environmentally state of the art. Our architecture includes access security controls and provides fast and reliable Internet connectivity.
System Administration	With SumTotal's application hosting program, our customers don't worry about the day-to-day challenges of maintaining a learning infrastructure. Our teams of experts perform all of the monitoring, backups, and troubleshooting required to assure that our customers' SES systems continue to perform around the clock.
Content Hosting	Our hosted SES environment includes web servers that allow our customers to host custom or off-the-shelf content.

Hosting Service Overview
Schedule B-1

Hardware / Software

The standard hosted SES Enterprise Learning Platform configuration includes the following hardware and software:

- Load-Balanced Web Servers (typically shared).

Web farm servers are rack mount Windows 2000 servers running IIS and SES. The servers may also host customer course content. Minimum hardware specification: Dual 1.1 GHz processors, 1 GB RAM, 72GB HD (Raid)
Each customer has a minimum of 3 servers for fault tolerance

- Database Servers (typically a shared server)

The database servers are rack mount Windows 2000 servers running MS SQL Server 2000. Hardware specification for production databases: Dual 2.8 GHz Xeon processors, 3GB RAM, 3 separate SCSI I/O channels to 3 sets of 15k-spin RAID 1 drives for maximized I/O (the database itself sits on 14 mirrored and striped drives), dual power supplies. "Staging" databases may run on slower hardware.

- Other Supporting Servers (FTP, SMTP, DNS, Backup, Scheduled tasks, etc)

These servers are also server-class machines, with RAID, running Windows 2000 server.

Client Firewall Configuration

The ports used by SES in the hosted environment are listed below. Customers need to open these ports on their firewall:

- Port 80, http protocol and/or port 443 is using https for SSL encryption – Required for access to SES
- Port 21 for FTP, or Port 22 for SSH – Required for customers transferring data files to automatically update the SES database. We support both secured file transfers using SSH and unsecured file transfers using FTP.

Disk Space for Course Content

Customers are allocated a maximum of 30GB for customer . This amount has never been exceeded. For reference, the entire NETg library of more than 700 courses requires 15.5GB, while the SkillSoft library of more than 280 courses requires just 2.7GB of disk space. The average customer uses less than 8GB. Support for larger amounts of course content is provided for an additional fee as requested.

Course Loading

Course material can be usually be loaded directly by the customer, without intervention by hosting services. The following can be loaded using the SES user interface:

- Anything built LCMS
- ToolBook DHTML
- ToolBook "native" content that is meant to play in the Neuron plug-in (requires one-time MIME type configuration)
- SCORM 1.2 compliant courses
- Some AICC compliant courses
- HTML pages
- Any document (Word, Excel, PowerPoint, etc) they want to allow access to

If courses cannot be loaded through the SES user interface, your SES administrator provides the course files to SumTotal via FTP. The Customer Support group works with Data Center staff to copy the courses onto your servers, then notifies you that the courses are ready for final configuration using the SES interface.

Course content installed in the hosted environment must be web-enabled, and cannot require any setup outside of copying files onto the SES servers. Content that requires a database, back-end processing, or client-server setup are not supported.

Test Environment

As part of the hosting environment, SumTotal maintains two SES LMS and/or LCMS operating environments per customer: "Live", and "Stage". The Staging environment is used to test product customizations and configurations. The customer also uses the staging environment to test new content, or as a demo environment. The Live environment is for production use.

Hosting Service Overview
Schedule B-1

When upgrading to a new version of SES, a second Test environment will be supplied temporarily during the upgrade process.

Data Center

The data center is physically collocated at an "Intermap" ISP facility in Seattle, WA. Intermap's collocation facility provides SumTotal with a fully conditioned environment and extremely high levels of security in which to house our systems. The facility can continue full operations without water or power for two weeks. The data center is rated as Seismic Zone Three Essential Service Compliant, which is guaranteed to withstand an earthquake with a magnitude of 7.2. The world-class facility is custom designed with raised floors, triple redundant HVAC temperature control systems with separate cooling zones, and seismically braced racks. Additional environmental controls include state-of-the-art laser based smoke detection and fire suppression systems.

Intermap provides SumTotal with Internet connectivity through two redundant, full-duplex, 100Mbps Ethernet segments. This gives us up to 100Mbps of throughput for both inbound and outbound traffic.

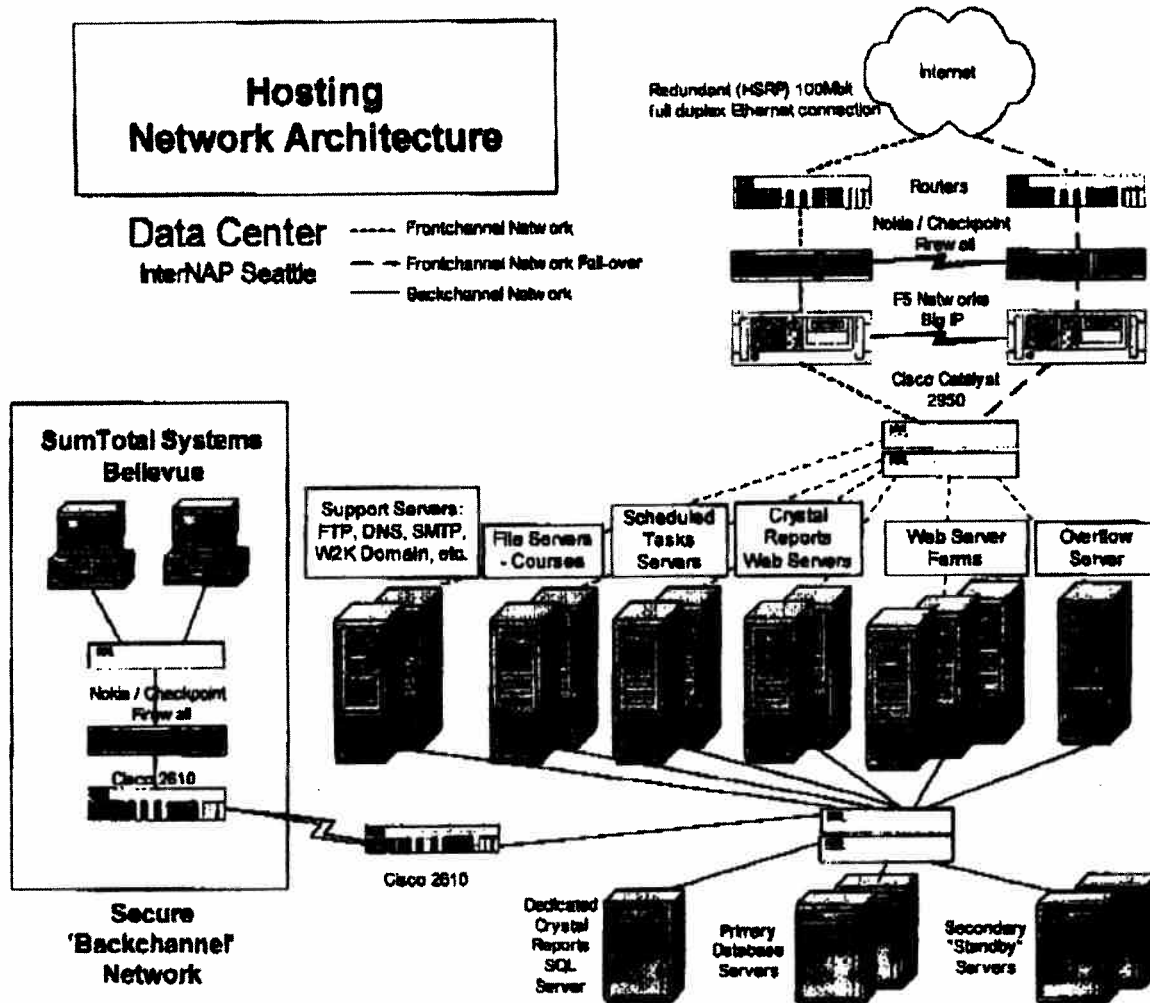
This ISP facility has redundant connections to eight major Tier 1 Internet backbones. This allows optimized routing and allows the hosted environment to remain operational should some of those backbones fail. Your data is routed to and from destinations on the Internet in a manner that minimizes the use of congested public network access points and private peering points. This optimal routing of data traffic over the multiplicity of networks that comprise the Internet enables higher transmission speeds, lower packet loss and greater quality of service.

Network Architecture

The hosted SES environment is highly robust and fault tolerant. Internet connectivity is provided via a HSRP (Hot Standby Router Protocol) on redundant front-end Internet routers. The servers are protected from external intrusion by a pair of redundant Nokia IP 330 firewalls running Checkpoint NG Feature pack 2. Two redundant F5 BIG/IP load balancers then optimally route traffic to the servers. Core Network switches are redundant as well, using the Spanning Tree protocol.

The diagram below depicts SumTotal's standard configuration for an SES Enterprise Learning Management Platform implementation.

Hosting Service Overview Schedule B-1



Crystal Reports

Hosting for SES includes access to Crystal reports generation in our data center. The hosting prices include Crystal licenses, Crystal Reports web servers, and Database servers dedicated to Crystal report creation. Our standard pricing includes up to five concurrent reports being run per customer.

Crystal Report Design:

We do not supply Crystal Reports' design tool (version 9.0 is required), however we provide the customer access to a hosted SES database server loaded with generic demo data (NOT customer production data). This secure server is provided so they can design and test reports using the SES schema without having to run SQL Server at their office. Once the customer-designed report is complete, it is uploaded into SES over http using the SES user interface and run against the customer's Live database.

Some customers would rather design and test using a copy of their Live database. If so, we can provide a nightly updated copy of their database on our secure FTP server. It is then the customer's responsibility set up the test environment. To accomplish this they acquire the database via sFTP, and upload the database into a local copy of SQL. They can then develop the reports using Crystal and test. The completed reports are loaded into their Live hosted SES environment using the SES user interface.

Hosting Service Overview
Schedule B-1

Reports Database Server

The customer's live production database is not used when running Crystal Reports. Instead, a separate database server is dedicated for this purpose. This server contains a copy of the customer's database, refreshed nightly. Therefore, report results reflect all activity through the previous day. We use a separate server for two reasons:

- Report generation can be extremely resource intensive, and adversely affect the performance of the customer's Live database, (as well as other customers using the same database server). This is especially a concern since report design is not under SumTotal control, and reports may not be adequately optimized.
- Building reports often requires "stored procedures" to be loaded on the database server. A stored procedure can corrupt the customer's database. So to protect the customer, we do not support running a customer-developed stored procedure against the Live database.

Security

As a hosted environment solution provider, SumTotal is sensitive to customers' data and system security needs. Our customers include the Military and financial institutions, which tend to have the most stringent security and infrastructure requirements. We have a Security Officer dedicated to ensuring that our security precautions are state of the art.

Physical Security

Intermap (see "Data Center" for more information), provides the physical environment necessary to keep our servers up and running 24 hours a day, 365 days a year.. Physical security measures include a "security in depth" series of eight access control points. Specific security features include 24x365 security guard monitored access, video surveillance, and security breach alarms. Two biometric (hand) scanners restrict access to approved users. Our system cabinets are in a caged space, which can only be accessed using a special security card reader. The cabinets themselves are locked and only accessible using a key that Intermap security controls.

Logical Security

We provide for system access and data protection through multiple levels of security. First, we are protected from external attacks via our dual/redundant firewalls. The firewalls allow only appropriate traffic into the network. The dual/redundant BIGIP load balancers then perform Network Address Translation (NAT) and additional packet filtering to the web servers.

Secure Socket Layer (SSL) encryption of the Username and Password with a 40-bit digital certificate is standard and provided at no charge upon request. If a 128-bit certificate is required, this will increase the monthly charge by \$95 if the SES Domain name is hosted by SumTotal (e.g. "customer-name.SumTotal.com"), since we must obtain the certificate each year. If the Domain name is hosted by the customer there is no charge (e.g. "SES.customer-name.com"). Although rarely required, we also provide the option of encrypting all traffic for an additional charge.

For extreme security, some customers require that we restrict access to their SES site to only their IP Subnets. However, this restricts the customer's learners to conducting their training at the office, or requires that when connecting from remote locations such as home, learners access the system via their corporate Intranet.

Internal Access Control

SumTotal has strict Security Policies and Procedures for Data Center Operations. These policies limit access to the physical data center, as well as logical access to the systems. Network access to the systems through our "back channel" for administration is protected by a firewall. Only data center personnel are allowed through this firewall, using only certain protocols.

Employee access from the Internet into our Corporate network and the hosting Data Center is restricted to VPN connections, authenticated with SecureID "keyfobs".

Prevention

We have quarterly Penetration Tests performed by Breakwater Security to validate the security of our hosting environment. Each penetration test yields a detailed report showing what was tested, test results, and recommendations for improved network security.

We employ Intrusion Detection Systems to identify hacking attempts and alert the Data Center Operations team. Both "network based" and "host based" IDS are used.

Hosting Service Overview Schedule B-1

Servers are extensively "hardened" according to vendor best practice guidelines. Our policy includes disabling of unnecessary ports, services, and application mappings. AD Group Policies are used heavily as well, e.g to restrict registry keys permission and auditing options.

We monitor a variety of security sites such as www.cirt.org and are on several security mailing lists. Our policy is to install critical security patches immediately. We also regularly run a scanning tool that compares patches available from Microsoft against our hardware to verify that all servers are up to date. In addition, we monitor the web server logs of all machines in the data center to find suspect traffic.

Virus Protection

In addition, we employ the use of Netshield for virus protection. Our .dat files are updated at the end of every month with the latest virus definitions issued from MacAfee. MacAfee also provides us with 24X7 support as well as being on their critical updates notifications in case of a new virus outbreak (in which case .dat files are updated immediately).

Reliability

SumTotal's high-availability, fault-tolerant architecture dramatically reduces any single point of failure within the network. We provide a Service Level Agreement with a guaranteed Customer Support Response times and minimum System Availability of 99.9%. Remedies for failure to meet the committed levels are reduction of monthly hosting fees associated with the hosting service.

SumTotal's Data Center infrastructure provides a high level of reliability by employing industry-best hardware and practices to minimize the impact of any system failure. Specifics are provided below.

Firewall

Our firewall configuration is two Nokia 330s, configured for hot-standby routing. By combining the Virtual Router Redundancy Protocol (VRRP) and the Check Point Firewall-1 synchronization feature we have configured a fully redundant, highly available firewall system. In the event of a failure of the primary firewall, the secondary firewall automatically and immediately begins routing traffic. With this configuration, a failure of a firewall device will have virtually no impact on SES system availability.

Load Balancer

Our load balancer is an F5 BIG-IP HA Controller. This device intelligently directs web traffic to the "web farm" server with the least load. Dual controllers provide additional fault tolerance with automatic fail-over.

Servers

SumTotal uses high-performance, high-availability servers with built-in redundant components to host the SES solution. The servers are configured with RAID disk drives. Additionally, they are hot-swap drives to allow for easy replacement of failed drives without taking the system out of service. Many servers also have dual power supplies.

SumTotal maintains an inventory of hardware components and "burned-in" servers that can quickly be used to replace failed devices.

Database

Each database server has a hot-standby server ready to take over in the case of failure. The databases on the standby server are kept current using transaction logs.

Facility Resilience

We are prepared for fire, blackout and power outage and other utility failure as well as unexpected equipment failure. Examples are listed below.

Internet Cable cut: The Internap hosting facility has redundant connections to eight major Tier 1 Internet backbones, with egress out opposite sides of the building. This provides optimal routing and allows the hosted environment to remain operational should some of those backbones fail.

Earthquake: The Internap data center is rated as Seismic Zone Three Essential Service Compliant, which is guaranteed to withstand an earthquake with a magnitude of 7.2.

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Fire: This world-class facility includes state-of-the-art fire suppression systems, and smoke detection using lasers to detect the slightest bit of smoke.

Power outage: The facility has underground diesel and water tanks, and can continue full operations without water or power for a minimum of two weeks without refueling. There are triple-redundant HVAC temperature control systems with separate cooling zones.

Flood: The facility is located on the top of a hill, such that flood damage is impossible.

Nearby disaster: There are three levels of air filtering from outside air into the building. In the even of a major dust event (such as a nearby disaster), total airflow from outside the building to inside the building can be shut off in literally 10 seconds. If a dust event occurred, Internap would utilize this building feature to keep the air from entering the building, while their cooling system would continue to cool and re-circulate the existing air.

Disaster Recovery

Note that all critical components in the hosted infrastructure are redundant. We have taken exhaustive measures to sustain a loss of any server, network, or security component without a service interruption.

In the event that our data center facility were destroyed, we would enact our DR plan and recover at our 'hot site' located in a separate Co-location center. This hot site has all core servers and infrastructure (firewall, load balancers, etc.) mirrored and ready to use. All configurations are kept identical to our production data center. This allows for very rapid recovery since the only missing equipment is the actual web and database servers. Our DR plan calls for a 2-week recovery period for all customers as a standard service, allowing time for purchase and restoration of web servers and database servers. A premium DR service is also available guaranteeing less than 24 hours recovery time.

Scheduled Maintenance

SumTotal conducts regular preventive maintenance to ensure the proper operation of the customer's Hosting Environment. Scheduled maintenance is done as needed, during non-peak time periods (local PST), not to exceed 2 hours weekly. Any scheduled maintenance or other non-emergency shutdown that requires the customer's Hosting Environment to be unavailable are scheduled at least three (3) business days in advance and the customer is notified. Note that most system and security patches do not require downtime, since we host SES on load balanced/fallover equipment such as "web farms". Scheduled maintenance is not counted toward the Service Level Agreement.

Performance and Scalability

SumTotal's systems perform to the industry's highest standards. We ensure that our customers' systems are powered by technology from industry-leading vendors such as Cisco, Nokia, Compaq and Dell. We have 24x365 data center support and monitoring to ensure that our service runs at optimum performance.

In order to provide a system that will grow with our customers, our monitoring software tracks usage and latency so that we can easily detect trends. We then proactively scale the systems to meet your requirements so users never see any degradation of service. We provide as many servers as needed to handle your peak loads!

Monitoring, Alerts & Recovery

Our data center staff ensures that the infrastructure and systems are tuned for optimal performance and that preventive maintenance occurs as scheduled. We measure, monitor and adjust various operating system attributes such as login latency, IIS hits per minute, database query response time, as well as memory, CPU, bandwidth, disk space, I/O, temperature, fan speed, and system logs. When trend analysis indicates that resources are nearing hosting capacity, the infrastructure is upgraded.

Response

Proactive response to critical failures is another feature of SumTotal's hosting services. To help facilitate our response we use SiteScope, a robust server monitoring solution, in addition to MRTG, Dell OpenManage, FastLane and custom Perl scripts. These systems monitors all aspects of the hosted infrastructure on a 24x365 basis. When an error occurs or a performance threshold is exceeded, the SumTotal data center staff is immediately informed. With the level of fault-tolerance SumTotal employs, it is anticipated that most hardware failures will not result in any noticeable service impact. In the case of a service outage lasting longer than 15 minutes, SumTotal will proactively notify the customer's designated SES contacts of

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any interruption of service. Our Customer Support group will provide information as to the cause and severity of the problem, estimate the time of resolution, and provide regular status updates.

Backup

SumTotal offers a comprehensive backup strategy:

- Every day we do a differential backup of all files, and a full backup of all databases. At the end of each week, the daily backup tapes are sent offsite for one month. In addition:
 - 4 days of database backups are kept on disk.
 - Transaction log backups are done every 30 minutes to a recovery database server.
- Every week we do a full backup. At the end of each week, the weekly backup tapes are sent offsite for six months.
- Every month we do a monthly full backup, which also serves as the weekly full backup for that week. At the end of each month, the full backup tapes are sent offsite and are stored for two years.
- Iron Mountain is used for our off-site storage.

SumTotal performs restorations in the event of a service failure or customer request. Customer requests for file restorations will be responded to within 1 business day in most cases.

DNS Administration

SumTotal works with customers to determine a domain name and DNS strategy appropriate for their SES Hosting solution. SumTotal's DNS administration service includes:

- Registration and administration of a domain name, within the SumTotal.com domain. E.g. "greatcompany.SumTotal.com"
- DNS administration. Assignment of necessary computer names and IP addresses.
- If the customer wishes to use their own domain name then we provide an IP address that the customer enters into their DNS. This is done because SumTotal can't host their domain name. For example, "SES.greatcompany.com"

Customer-developed code changes

SumTotal does not allow a customer to make modifications to SES programming code (ASP, Java script, Active X, cascading style sheets (.css files), stored procedures, etc.) for the following reasons:

- Our support agreement specifically excludes support for customer-modified code. The Support group could not troubleshoot SES if it had unknown customer modifications applied. This applies to all SES installations, not just hosted ones.
- Likewise, the Data Center team is fully responsible for downtime and performance problems, which Customer written code could cause. We host SES on shared "web farm" servers, so such server problems could affect other customers as well.
- SES code that is not in our code-control systems could be overwritten when applying patches, or customizations. In addition, when your entire SES installation is upgraded or rebuilt for any reason, this would overwrite your custom code.
- Note: Stored procedures used with Crystal Reports are an exception. See the Crystal Reports section above.

Bandwidth Allowance Calculation

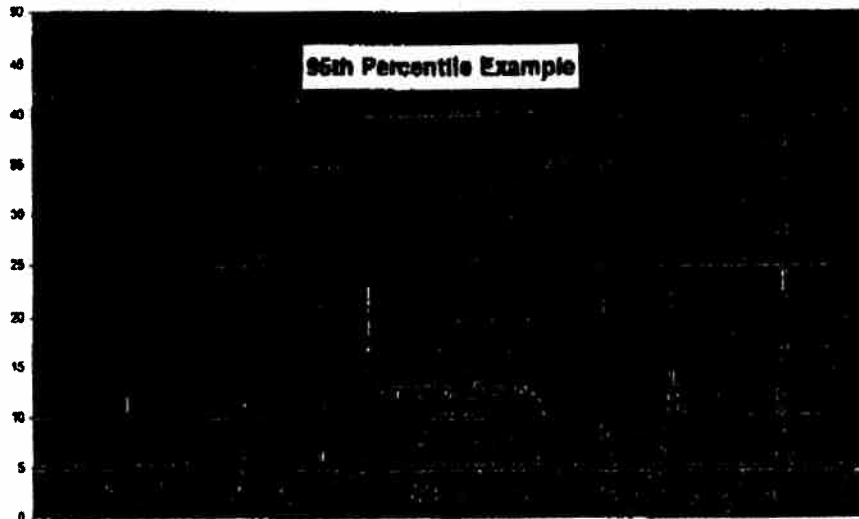
Our standard hosting price includes the bandwidth bursts up to 100 megabits, with a "bandwidth allowance" of 5 megabits. SumTotal computes the bandwidth used by each customer using the "95th percentile" method. This is the most common way of charging for bandwidth in the industry (vs. charging for the Peak or Average usage).

To calculate, bandwidth usage is sampled on 1-minute intervals throughout the month. At the end of each month we discard the busiest 5% of usage, and make note of the busiest 1-minute interval that remains. Another way to think about this is we don't count the busiest 36 hours of the month (5%). So you can exceed your bandwidth allowance 36 hours each month at no extra charge.

Note: The "bandwidth allowance" of 5 megabits is extremely generous and is very rarely exceeded.

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To illustrate this graphically, the diagram below shows how data usage might be distributed over a monthly period. Notice that the top 5% of the circuit usage is discarded:



Customer Support

Our Customer Support Group is the customer contact for SumTotal's hosting service. This gives each customer a single point of contact for obtaining services and resolving problems. Customer Support for SES includes support for all customer inquiries regarding system operation and application use, as well as technical troubleshooting. The support team has direct access to the data center staff. Escalation and tracking procedures between customer support and the data center are in place.

Customer support is for SES administrators. The customer provides their own internal front-line support for learners.

SumTotal's customer support includes:

- Clarifying and assisting in the operation of the features and functions of the software
- Clarifying our published documentation
- Assisting in identifying and verifying the causes of suspected errors
- Providing error corrections.

The C2L Hosting group provides 24 x 7 support of the hosted environment, and ensures uninterrupted service. The hosting staff can be contacted via customer support 24 x 7, but do not answer questions about how to use SES. Your support agreement will clarify the hours that customer support is available for general SES questions.

Go Live Handoff

A brief "Go-Live" conference call is a milestone in the creation of the SES environment. The call marks the end of the project implementation phase and the beginning of active use of SES.

During the call, the SES project manager or sales representative will introduce the customer to the members of the Customer Support team, who will be their single point of contact for everything involving their SES application. We will also review processes for contacting support, uploading content, and other hosting-related procedures.

Conclusion

By hosting SES SumTotal is able to provide our customers 360-degree support of our product. From SES installation and configuration; to ensuring SES runs in the most resilient, fault-tolerant, highly optimized environment possible; to handling daily administration and maintenance; to supporting users questions about features. This allows you to focus on getting the

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most benefit from our product without being concerned about keeping it running optimally 24 x 7. In addition, SumTotal hosting typically is far less expensive than running SES internally. Ask your SumTotal representative for more detail.

**SCHEDULE C
SUPPORT**

CUSTOMER SUPPORT, TRAINING AND MAINTENANCE

For purposes of this Schedule C, "WE" shall mean Vendor and "YOU" shall mean Lehman Brothers.

This Schedule sets forth the additional terms and conditions under which we will provide customer support, training and maintenance services in connection with the Licensed Software licensed to you pursuant to this Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

Customer Support Contact Information:

SumTotal Systems Support Web Site: www.sumtotalsystems.com/support (Note: Follow the instructions for submitting a technical issue or question to SumTotal Systems.)

Telephone Support Numbers: 877-TOTALCS or 877-868-2527 or 425-637-1673

The contact information above is current as of the date of this Agreement. We reserve the right to change our contact information from time to time upon notice to the Designated Contacts.

C1. Additional Definitions.

(a) "Designated Contacts" means the individuals designated by you to contact our customer support staff and who will coordinate all of your Error submissions and support requests.

(b) "Error" shall mean a reproducible defect in the Licensed Software when operated on a Supported Environment or in the Hosted Environment, which causes the Licensed Software not to operate substantially in accordance with our Documentation.

(c) "Error Correction" means a modification or patch that brings the Licensed Software into substantial conformance with Documentation, or a procedure, routine or other information that enables you to avoid the practical adverse effect of an Error without degrading the Licensed Software.

(d) "Instance" means one or more application servers hosting all or part of the Licensed Software.

(e) "Maintenance Release" means an update to an existing version of the Licensed Software containing Error Corrections or minor functionality enhancements. A Maintenance Release is designated as a numbered service pack for the current version, with no change in the version number.

(f) "New Version Release" means a new version of the Licensed Software containing new features or enhancements to functionality. A New Version Release is designated by an increase in the version number, e.g. from 2.5 to 2.6 or 3.0. "New Version Release" only includes releases of the Licensed Software in a language included in your License Configuration.

(g) "Primary Instance" means an Instance in your production environment containing your live training records.

(h) "Secondary Instance" means an Instance in your testing environment used for testing or staging of your data.

(i) "Supported Environment" means (i) the Hosted Environment or (ii) a hardware, operating system and database platform meeting the minimum system configuration requirements for the proper use and operation of the Licensed Software as set forth in our Documentation.

(j) "Support Term" means any period during the Initial Term or Renewal Term of the Agreement which you are entitled to receive support hereunder.

C2. Support Services.

(a) Standard Support Provided. During each Support Term, we will provide the following support, subject to the procedures and limitations described herein: (i) clarifying and assisting in the operation of the features and functions of the Licensed Software; (ii) clarifying our Documentation; (iii) assisting in identifying and verifying the causes of suspected Errors; (iv) correcting Errors arising out of or related to a database management server or a web server or any other third party component that is used in conjunction with the Licensed Software and set forth in Documentation or Statements of Work; and (v) providing Error Corrections and (vi) installation or configuration of the Licensed Software, any Maintenance Releases and/or New Version Releases. Support will also include the warranties set forth in Sections 4.1, 4.2, 4.3, 4.5, and 4.7 of the Agreement. Such support will be provided for the Primary Instance and Secondary Instance and for the Licensed Software that we host for you. During each support term, you will have access to our online Customer Productivity Center ("CPC") located at www.sumtotalsystems.com. The CPC provides you with access to online learning, knowledge documentation, and tools that enable you to enhance your knowledge of the Licensed Software.

(b) Self Help Support Resources. You agree that the users of the Licensed Software will first attempt to answer any questions or resolve any issues with respect to the operation of the Licensed Software by using the following self help resources: (i) the Help function of the Licensed Software and (ii) our customer support web site.

(c) Contacting Customer Support. If you are unable to resolve an issue or question with respect to the Licensed Software using the self help resources described above, the Designated Contacts may contact a customer support representative to receive support using one of the methods described below. We will provide support only in English and only to the Designated Contacts. Any communication between the Designated Contacts and a customer support representative must be in English. We will not provide support to end users of the Licensed Software or to any person other than the Designated Contacts.

(i) Telephone Hot Line. We will provide telephone support to the Designated Contacts between the hours of 8:00 a.m. to 8:00 p.m. Eastern Time Monday through Friday, excluding SumTotal Systems holidays (the "Support Hours"). We will provide you with a list of SumTotal Systems holidays and any reduced support hours on those holidays upon request. If you have purchased optional Extended Support, we will provide additional telephone support outside the Support Hours 24 hours per day during weekdays for all severity level Errors and 24 hours per day, seven days per week, including SumTotal Systems holidays ("Extended Support Hours") for Severity I Errors, as set forth in Table C1.

(ii) Web Email Template. We will provide an acknowledgement to web email sent to "http://www.sumtotalsystems.com/support" as set forth in Schedule C1.

(d) Error Correction. When you report an Error to us you should include a detailed description of the Error and the severity level determined in accordance with Section C2(c) below. When we receive notice of an Error, we will assign a problem tracking number to be included in all correspondence between you and us related to the Error and after our e-mail acknowledgement described in Section C2(c)(ii) we will provide a response in accordance with the severity levels and response times identified in Section C2(e). Thereafter, we will use commercially reasonable efforts to provide an Error Correction. The Error Correction may require that you install the latest Maintenance Release for the supported version of the Licensed Software on which you reported the Error. The Error Correction, when completed, may be provided in the form of a Software patch consisting of sufficient programming and operating instructions to implement the Error Correction, which will be provided to you via email, download or other electronic means.

(e) Response Times. Our response to an Error depends on the severity of the Error and the level of support purchased by you, as determined by Table C1. For each level of severity, our customer support representatives will respond, during the Support Hours, within the times set forth in Table C1. Response time is the time from our receipt of notice of the Error until we contact the Designated Contact reporting the Error to begin resolution efforts, not the time to deliver an Error Correction. We will respond to an Error which arises in the Primary Instance at all severity levels set forth in Table C1. If an Error arises in the Secondary Instance, we will only respond according to the Severity 3 level response time, as set forth in Table C1.

(f) Additional Services with Premier Support. If you have purchased Premier Support, we will provide you with the following additional services: (i) a technical account manager responsible for proactively managing your support issues during the Support Hours; (ii) an annual one-day visit by the technical account manager to your location on a mutually-agreed date (travel and expenses not included); (iii) monthly usage reports detailing support activity; (iv) review of relevant error corrections delivered to our customer base; and (v) accelerated response times.

(g) Exclusions from Support Program. We are not responsible or liable for causes external to the Licensed Software, to the extent outside our reasonable control, including but not limited to: (i) your failure to incorporate Maintenance Releases or New Version Releases on a timely basis; (ii) installation of the Licensed Software or any New Version Releases by any party other than SumTotal Systems or our designee; (iii) your use of the Licensed Software with any software or hardware other than the Supported Environment; (iv) problems resulting from use of the Licensed Software in a manner not permitted pursuant to your license; (v) modifications, alterations, or additions to the Licensed Software by parties other than us or our designee (including without limitation, modifications, alterations, or additions to the Licensed Software made by you); or (vi) damage from any source other than us which is outside our reasonable control including but not limited to water, humidity, fire, power surges, computer viruses, and accidents (to the extent outside our reasonable control) ("Excluded Services"). Any maintenance or services required to fix the Excluded Services will be billed to you on a time-and-materials basis in accordance with our then current rates, provided that you pre-approve such additional fees in writing. Such services shall be set forth on a mutually agreed upon Statement of Work and provided to you pursuant to Schedule D. Support does not include Licensed Software installation, configuration or services provided on-site at your location, but rather such services may be covered by Professional Services. If we are required or requested to travel to your facilities, any services will be provided at the rates set forth in Schedule E and you will reimburse us for all pre-approved (in writing) travel expenses, including meals and lodging, pursuant to your travel policies. Unless we are hosting the Software, this support program does not include support in connection with or correcting Errors arising out of or related to a database management server or a web server or any other third party component that is used in conjunction with the Software. We may, but are not required to, provide Error Corrections for such Errors (which occur when we are not hosting) at our time and materials rates,

provided that you have approved such additional fees in writing. We are not responsible for restoring lost data or damage to your data base that result from your actions. If you desire to purchase upgrade services or other professional services from us outside the scope of the support in this Schedule C, then we will provide such professional services to you for a charge as set forth in a mutually agreed Statement of Work pursuant to Schedule D.

C3. Your Responsibilities.

(a) Supported Environment and Operations. You are responsible for undertaking the proper supervision, control and management of your use of the Software including, but not limited to: (i) providing, maintaining and assuring proper configuration of the Supported Environment; (ii) following industry standard procedures for the security of data, accuracy of input and output, and back-up plans, including restart and recovery in the event of hardware or software error or malfunction; and (iii) maintaining a procedure external to the Software for reconstruction of lost or altered files, data and programs. This Section will not apply to you if we are hosting the Software.

(b) Assistance in Providing Support. You will provide reasonable assistance to us in determining and resolving Errors you report. Error determination activities may include performing network traces, capturing error messages, collecting configuration information and other similar activities to allow us to reproduce the Error. Resolution activities may include access to your personnel and/or remote access to the Supported Environment. You agree to allow us to use remote access tools, with the participation and under the supervision of a Designated Contact, to access the Licensed Software in the Supported Environment and modify its configuration as part of our Error determination and resolution activities. We may not be able to provide you with an Error Correction without such remote access. You are responsible for performing reasonable activities to implement Error Corrections we provide and for responding in a timely manner to reasonable requests for information by our customer support staff. Any information you provide as in connection with the support process that you designate as confidential will be used only to resolve reported Errors, will not be disclosed to anyone other than our personnel involved in resolving the Error and will be destroyed by us upon completion of the Error Correction. As part of our Error resolution process, information you provide to us may be made available to our employees in foreign countries, unless you notify us otherwise in writing when providing us with such information.

(c) Designation of Support Contacts. You will designate up to three individuals as the Designated Contacts for receiving support hereunder and notify customer support of the Designated Contacts. You may change the Designated Contacts by notifying customer support, but may not have more than the number of Designated Contacts set forth above at any one time. Each Designated Contact may not be changed more than once in a 30-day period.

(d) Training. You are responsible for proper training of the Designated Contacts and all other appropriate personnel in the operation and use of the Licensed Software and the Supported Environment.

C4. New Releases of the Licensed Software.

(a) Maintenance Releases Provided with Support. We will provide to you any Maintenance Releases and New Version Releases that we make generally available to end users who have purchased support during the Support Period at no additional charge. Any Maintenance Releases or New Version Releases are part of the Licensed Software and subject to the terms and conditions of this Agreement and the License Configuration. The designation of a software release as a Maintenance Release or a New Version Release will be made by us in our reasonable discretion.

(b) Support of Prior Releases. We will provide support as described herein for the most current Maintenance Releases made with respect to the current New Version Release and the last two New Version Releases immediately preceding that release.

(c) **Installation of New Releases.** Unless we are hosting the Software, support does not include the installation or configuration of any Maintenance Releases or New Version Releases. If we are not hosting the Software, services to be provided in connection with the installation or configuration of Maintenance Releases or New Version Releases will be provided for a mutually agreed fee as a Services Deliverable pursuant to Exhibit D. New Version Releases may have significant changes from current versions and it is strongly recommended that we provide the services to install New Version Releases to ensure our ability to continue to provide support and Error Corrections. We will not correct Errors arising out of or related to installation or configuration of the Licensed Software or any New Version Releases by any party other than Sun/Total Systems.

(d) **Migration of Customizations and/or Modifications.** If you have customized and/or modified Licensed Software, support does not include migrating your customizations and/or modifications to any Maintenance Release or New Version Release, unless otherwise provided under the Statement of Work pursuant to which we provided such customizations and/or modifications. Any services to be provided in connection with the migration of customizations and/or modifications to Maintenance Releases or New Version Releases will be provided for a mutually agreed fee as a Services Deliverable pursuant to Exhibit D. Notwithstanding anything to the contrary in this Section (d), we will use best efforts to integrate customizations and modifications into New Version Releases at no additional cost to you, and to develop such customizations and modifications in a way that is consistent with the planned migration path of the Licensed Software.

(e) **Lehman Brothers** shall have no obligation to accept any of the Upgrades, Maintenance Releases and/or New Version Releases supplied by Vendor.

CS. Source Code Escrow.

(a) **Source Code Option.** We will maintain the source code of the the Licensed Software in an escrow account with DSI

Technology Escrow Services, Inc. ("DSI") having the release conditions described below (the "Escrow Account"). You may elect, at your expense, to be added as an additional beneficiary of the Escrow Account at any time during the Support Term by providing us written notice of your election of this option. If you elect to be added as a beneficiary of the Escrow Account, you will be invoiced directly by DSI for the fees to add and maintain you as a beneficiary. We reserve the right to use a reputable third-party commercial escrow agent other than DSI, provided that the release conditions are as set forth in this Agreement.

(b) **Release Conditions.** If you elect the source code escrow option, you will be permitted to access and use the source code to support and maintain the Licensed Software components and versions licensed by you if any one of the following events occurs and remains uncorrected for more than 30 days during a Support Term: (i) we have been adjudged to be bankrupt by a court of competent jurisdiction and there has been an entry of an order for relief under Title 11 of the United States Code; (ii) we have made a general assignment for the benefit of creditors; (iii) a general receiver or trustee in bankruptcy has been appointed for our business or property; (iv) we take action under any state insolvency or similar law for the purpose of our bankruptcy, reorganization, or liquidation; (v) support for the versions of the Licensed Software defined in Section C4(b) is no longer offered by us or any successor to our interest in the Licensed Software; (vi) we are in material breach of the Agreement; or (vii) we cease to conduct business for any reason on an ongoing basis leaving no qualified successor to our interest in the Licensed Software.

CS. Reinstatement of Support. If you have terminated or elected not to renew support, you can elect to reinstate support if we still offer support for the Licensed Software and if you pay a fee equal to (i) the support fees for the period when you did not receive support and (ii) the support fee for the current Support Term.

**Table C1
Response Times**

Severity Level	Severity Level Description	Response Time Targets		
		Standard	Premier	Extended
Severity 1	Inability to use any major functions of the Licensed Software, resulting in a critical impact on user objectives.	Time to respond is 1 hour, during Support Hours.	Time to respond is 1 hour, during Support Hours.	Time to respond is 1 hour.
Severity 2	An important existing functionality is not available and there is not an acceptable workaround. (E.g., a course cannot be published or a previously published course is otherwise unavailable, or an administrator menu feature is not available.)	Time to respond is 1 business day during Support Hours.	Time to respond is 1 business day during Support Hours.	Time to respond is 1 business day during Support Hours.
Severity 3	Incorrect behavior of the Licensed Software, cosmetic problem or an important existing functionality is not available but there is an acceptable workaround.	Time to respond is 5 business days during Support Hours.	Time to respond is 1 business day during Support Hours.	Time to respond is 5 business days during Extended Support Hours.

We will use best efforts to resolve Severity 1 Errors and Severity 2 Errors as quickly as possible.

**SCHEDULE D
PROFESSIONAL SERVICES**

For purposes of this Schedule D, "WE" shall mean Vendor and "YOU" shall mean Lehman Brothers.

This Schedule sets forth the additional terms and conditions under which we will provide Professional Services in connection with the Licensed Software provided pursuant to this Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

1. Performance of Services.

(a) Statements of Work. Each professional services project we undertake shall be described in statements of work (each a "Statement of Work") setting forth the agreed upon specifications, project schedules, delivery dates, Services Deliverables, pricing and payment terms. Both parties shall execute each Statement of Work and each is incorporated herein by this reference. The terms of this Agreement will control over any conflicting terms in the Statements of Work.

(b) Delivery and Cooperation. We will provide the Services Deliverables according to the agreed delivery schedule set forth in the applicable Statement of Work. You will, to the extent expressly set forth in the applicable Statement of Work: (i) provide us with any necessary Customer Materials; (ii) provide us with any necessary access to your personnel, facilities or data; (iii) cause the appropriate personnel to cooperate with us as required for us to provide our services, including responding promptly to questions or issues; and (iv) make any payments when due.

(c) Place of Performance. If our personnel, agents or representatives are required to travel to a location other than one of our facilities, you will pay or reimburse us upon 30 days after receipt of invoice for all reasonable travel expenses including airfare, ground transportation, lodging and meals for personnel required to travel, to the extent pre-approved by Lehman in writing. We will adhere to our corporate travel policies and provide a copy, unless other agreements are made prior to undertaking a project. Services to be provided on-site at your facilities will be scheduled in advance by agreement of each party. We will use reasonable efforts to accommodate any requested change in the scheduled dates for on-site services, subject to the availability of appropriate personnel. You will also reimburse us upon invoice for our out-of-pocket expenses in connection with the performance of services as set forth in the applicable Statement of Work, to the extent pre-approved by Lehman in writing. At your request, we will provide receipts or other reasonably satisfactory evidence of such expenses.

(d) Qualified Personnel. We will provide all services in accordance with current industry standards and practices using qualified personnel with the necessary skills, qualifications and experience to provide the Services Deliverables in accordance with the applicable Statement of Work. All personnel providing services will be our full-time employees acting within the scope of their employment and under obligation to assign all rights in the Services Deliverables to us, or will be independent contractors under written obligation to assign all such rights to us.

2. Changes to Services Deliverables.

(a) Changes to Project Scope. You may request changes to the scope of a Statement of Work. We will use commercially reasonable efforts to accommodate requested scope changes, subject to this Section. Any scope changes shall be subject to mutual written agreement and shall be set forth in a new Statement of Work or a written change order setting forth the changes to the Services Deliverables and any modifications to the delivery dates, payment terms and agreed pricing.

(b) Changes to Non-functional Elements. You acknowledge that certain non-functional or aesthetic elements of the Services Deliverables such as screen displays and user interface design can vary greatly without impact on the functional or performance specifications. We will incorporate any nonfunctional or aesthetic elements specified in the Statement of Work into the Services Deliverables, and will work together with you in the design of such nonfunctional or aesthetic elements. If you want to change the nonfunctional or aesthetic elements of any Services Deliverable which meets the functional and performance specifications and otherwise complies with the Statements of Work, then you agree to compensate us at a mutually agreed price set forth in a change order or at our then current hourly rates for any additional time required to make the nonfunctional or aesthetic elements of the Services Deliverables satisfactory, provided however, that Lehman pre-approves any additional fees in writing.

3. Services Payment Terms.

Unless otherwise stated in the Statement of Work, you will pay us at hourly rates set forth in Schedule E for our employee or subcontractor who is performing the work. We will invoice you monthly at the end of each month at the billing rates set forth in the Statements of Work for work performed on each Statement of Work during the previous month. Invoices will include a summary of all time expended for each personnel classification providing services during the month.

4. Acceptance Testing.

Each Deliverable shall be subject to Acceptance by Lehman Brothers in accordance with the procedures set out in this Section 4. Unless otherwise agreed to in writing by the parties, the acceptability of any Deliverable will be based on Lehman Brothers' determination that the Deliverable performs and provides functionality in accordance with the applicable Statement of Work. If any Deliverable is not acceptable, Lehman Brothers will notify Vendor within thirty (30) days of receipt of such Deliverable, specifying its reasons in reasonable detail, and Vendor will, at no additional cost, promptly conform the Deliverable to the Statement of Work or Lehman Brothers' reasonable satisfaction, as applicable. If within ten (10) days of non-acceptance by Lehman Brothers (or such other time period as the parties may agree in writing), any Deliverable is still not acceptable, Lehman Brothers may, at its option: (i) terminate the applicable Statement of Work in whole or in part and receive a prompt refund of fees for the portion of the Statement of Work so terminated and any other Deliverables that are unusable as a result of such rejection (and in the event of the initial acceptance, Lehman Brother may also return the Licensed Software and obtain a refund of license fees paid); or (ii) without prejudice to Lehman Brothers' right to implement (i) above, extend the time for Vendor to correct the affected Deliverable. If Lehman Brothers does not notify Vendor of acceptance or a deficiency within twenty-five (25) days after receipt of the deliverable, Vendor shall notify Lehman Brothers in writing that it has five (5) days from receipt of notice to either accept or reject, and if Lehman Brothers does not reject within such time period, the Deliverable shall be deemed accepted. With respect to the deliverables described in Statement of Work Number One, all such deliverables will be tested in total along with the base Licensed Software.

5. Additional Terms

Lehman Brothers will provide working space, resources and materials only as specified on the applicable Statement of Work. Vendor personnel will observe and comply with Lehman Brothers' applicable policies and procedures (including without limitation, as to physical and electronic security), working hours and holiday schedules, as modified from time to time in Lehman Brothers' discretion. Vendor will minimize any disruption to Lehman Brothers' normal business operations. For any Assigned Contractor who shall be on site at Lehman Brother's site more than 20 days in one calendar year, and upon Lehman Brothers' request, Vendor will promptly cause any Assigned Contractor to provide to Lehman Brothers a completed background and security questionnaire provided by Lehman Brothers, as the same may be revised by Lehman Brothers from time to time (including both background information and fingerprint specimens) and to undergo drug testing. Notwithstanding anything to the contrary in the Agreement, Lehman Brothers may terminate the applicable Statement of Work or may require Vendor immediately to terminate the assignment of any

Pg 24 of 100
SCHEDULE D
PROFESSIONAL SERVICES

For purposes of this Schedule D, "WE" shall mean Vendor and "YOU" shall mean Lehman Brothers.

This Schedule sets forth the additional terms and conditions under which we will provide Professional Services in connection with the Licensed Software provided pursuant to this Agreement. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement.

1. Performance of Services.

(a) **Statements of Work.** Each professional services project we undertake shall be described in statements of work (each a "Statement of Work") setting forth the agreed upon specifications, project schedules, delivery dates, Services Deliverables, pricing and payment terms. Both parties shall execute each Statement of Work and each is incorporated herein by this reference. The terms of this Agreement will control over any conflicting terms in the Statements of Work.

(b) **Delivery and Cooperation.** We will provide the Services Deliverables according to the agreed delivery schedule set forth in the applicable Statement of Work. You will, to the extent expressly set forth in the applicable Statement of Work: (i) provide us with any necessary Customer Materials; (ii) provide us with any necessary access to your personnel, facilities or data; (iii) cause the appropriate personnel to cooperate with us as required for us to provide our services, including responding promptly to questions or issues; and (iv) make any payments when due.

(c) **Place of Performance.** If our personnel, agents or representatives are required to travel to a location other than one of our facilities, you will pay or reimburse us upon 30 days after receipt of invoice for all reasonable travel expenses including airfare, ground transportation, lodging and meals for personnel required to travel, to the extent pre-approved by Lehman in writing. We will adhere to our corporate travel policies and provide a copy, unless other agreements are made prior to undertaking a project. Services to be provided on-site at your facilities will be scheduled in advance by agreement of each party. We will use reasonable efforts to accommodate any requested change in the scheduled dates for on-site services, subject to the availability of appropriate personnel. You will also reimburse us upon invoice for our out-of-pocket expenses in connection with the performance of services as set forth in the applicable Statement of Work, to the extent pre-approved by Lehman in writing. At your request, we will provide receipts or other reasonably satisfactory evidence of such expenses.

(d) **Qualified Personnel.** We will provide all services in accordance with current industry standards and practices using qualified personnel with the necessary skills, qualifications and experience to provide the Services Deliverables in accordance with the applicable Statement of Work. All personnel providing services will be our full-time employees acting within the scope of their employment and under obligation to assign all rights in the Services Deliverables to us, or will be independent contractors under written obligation to assign all such rights to us.

2. Changes to Services Deliverables.

(a) **Changes to Project Scope.** You may request changes to the scope of a Statement of Work. We will use commercially reasonable efforts to accommodate requested scope changes, subject to this Section. Any scope changes shall be subject to mutual written agreement and shall be set forth in a new Statement of Work or a written change order setting forth the changes to the Services Deliverables and any modifications to the delivery dates, payment terms and agreed pricing.

(b) **Changes to Non-functional Elements.** You acknowledge that certain non-functional or aesthetic elements of the Services Deliverables such as screen displays and user interface design can vary greatly without impact on the functional or performance specifications. We will incorporate any nonfunctional or aesthetic elements specified in the Statement of Work into the Services Deliverables, and will work together with you in the design of such nonfunctional or aesthetic elements. If you want to change the nonfunctional or aesthetic elements of any Services Deliverable which meets the functional and performance specifications and otherwise complies with the Statements of Work, then you agree to compensate us at a mutually agreed price set forth in a change order or at our then current hourly rates for any additional time required to make the nonfunctional or aesthetic elements of the Services Deliverables satisfactory, provided however, that Lehman pre-approves any additional fees in writing.

3. Services Payment Terms.

Unless otherwise stated in the Statement of Work, you will pay us at hourly rates set forth in Schedule E for our employee or subcontractor who is performing the work. We will invoice you monthly at the end of each month at the billing rates set forth in the Statements of Work for work performed on each Statement of Work during the previous month. Invoices will include a summary of all time expended for each personnel classification providing services during the month.

4. Acceptance Testing.

Each Deliverable shall be subject to Acceptance by Lehman Brothers in accordance with the procedures set out in this Section 4. Unless otherwise agreed to in writing by the parties, the acceptability of any Deliverable will be based on Lehman Brothers' determination that the Deliverable performs and provides functionality in accordance with the applicable Statement of Work. If any Deliverable is not acceptable, Lehman Brothers will notify Vendor within thirty (30) days of receipt of such Deliverable, specifying its reasons in reasonable detail, and Vendor will, at no additional cost, promptly conform the Deliverable to the Statement of Work or Lehman Brothers' reasonable satisfaction, as applicable. If within ten (10) days of non-acceptance by Lehman Brothers (or such other time period as the parties may agree in writing), any Deliverable is still not acceptable, Lehman Brothers may, at its option: (i) terminate the applicable Statement of Work in whole or in part and receive a prompt refund of fees for the portion of the Statement of Work so terminated and any other Deliverables that are unusable as a result of such rejection (and in the event of the initial acceptance, Lehman Brother may also return the Licensed Software and obtain a refund of license fees paid); or (ii) without prejudice to Lehman Brothers' right to implement (i) above, extend the time for Vendor to correct the affected Deliverable. If Lehman Brothers does not notify Vendor of acceptance or a deficiency within twenty-five (25) days after receipt of the deliverable, Vendor shall notify Lehman Brothers in writing that it has five (5) days from receipt of notice to either accept or reject, and if Lehman Brothers does not reject within such time period, the Deliverable shall be deemed accepted. With respect to the deliverables described in Statement of Work Number One, all such deliverables will be tested in total along with the base Licensed Software.

5. Additional Terms

Lehman Brothers will provide working space, resources and materials only as specified on the applicable Statement of Work. Vendor personnel will observe and comply with Lehman Brothers' applicable policies and procedures (including without limitation, as to physical and electronic security), working hours and holiday schedules, as modified from time to time in Lehman Brothers' discretion. Vendor will minimize any disruption to Lehman Brothers' normal business operations. For any Assigned Contractor who shall be on site at Lehman Brother's site more than 20 days in one calendar year, and upon Lehman Brothers' request, Vendor will promptly cause any Assigned Contractor to provide to Lehman Brothers a completed background and security questionnaire provided by Lehman Brothers, as the same may be revised by Lehman Brothers from time to time (including both background information and fingerprint specimens) and to undergo drug testing. Notwithstanding anything to the contrary in the Agreement, Lehman Brothers may terminate the applicable Statement of Work or may require Vendor immediately to terminate the assignment of any

Assigned Contractor if such person does not execute a Non-Disclosure Agreement ("NDA") in the form attached hereto as Exhibit F or does not promptly provide complete information (and fingerprint specimens) requested by Lehman or does not undergo drug testing if requested pursuant to this section or if, in the sole judgment of Lehman Brothers (i) the results of the background investigation are unsatisfactory; (ii) any background information provided by such individual is inaccurate; (iii) any background information provided by such individual cannot be verified to Lehman Brothers' satisfaction; or (v) the results of the drug testing are unsatisfactory. Nothing contained in the Agreement shall be construed to create any obligation on the part of Lehman Brothers to disclose to Vendor or its personnel the reasons for its determination in this regard, or share any information obtained through its background investigation or drug testing, except to the extent otherwise required by law.

FORM OF STATEMENT OF WORK

Vendor:

Statement of Work No.: [Sample
Only]

This Statement of Work is issued pursuant to the Software License, Services and Support Agreement between Lehman Brothers Inc. ("Lehman Brothers") and the above-named Vendor dated _____ (the "Agreement"). Any term not otherwise defined herein shall have the meaning specified in the Agreement.

Name of Employee: _____

SS# of Employee: _____

Engagement Start Date: _____ End Date: _____

Lehman Brothers Project Manager: _____

Vendor Project Manager: _____

Service Location:

Status Reports:

[Insert Applicable Frequency]

Complete A or B Below:

A) Fixed Price Project: _____ Scheduled Completion Date: _____

B) Per Diem

Rate Charged to Lehman S
Brothers: _____

EXHIBIT 1 (CONTINUED)

Vendor must submit time tracking sheets as such are referenced in the Agreement in order to be reimbursed for all time and material charges.

See Attachment A for a complete description of the Professional Services and Deliverables, a listing of the documentation to be provided, the milestone or implementation schedule, a schedule of payments applicable to this Statement of Work and any other mutually agreed information.

VENDOR

LEHMAN BROTHERS INC.

By: _____

By: _____

Name: _____
(Type or Print)

Name: _____
(Type or Print)

Title: _____

Title: _____

Date: _____

Date: _____

ATTACHMENT A TO STATEMENT OF WORK

Description of Professional Services and Deliverables:

Milestone/Implementation Schedule:

Schedule of Payments (if applicable):

Other Additional Terms and Conditions:

SCHEDULE E
FEE SCHEDULE

A.(1) <u>Initial Software delivery:</u>	SumTotal 7.0 consisting of the following components: <ul style="list-style-type: none"> • TotalLMS, which includes the following components: <ul style="list-style-type: none"> • Personalized Delivery module SumTotal 7.0 includes without limitation: <ul style="list-style-type: none"> • Dynazip • J Upload from Persists Software. • Mionic DHTML Menu Version 5.0.
A.(2) Number of Named Users for the TotalLMS Software:	6,000
B. <u>Software License Fees:</u> TotalLMS Software License Fees Total Software License Fees:	
	\$108,000.00 \$108,000.00 In the event of non-acceptance of the Deliverables under Statement of Work Number 1 along with the base Licensed Software, Vendor shall refund this sum within 30 days of non-acceptance
C. <u>Maintenance Services:</u> Type of Maintenance Services Support: Number of Designated Contacts: Support Term Fee:	
	Basic (Lehman may upgrade to Extended Support for \$10,000 (prorated)) 3 \$ 21,600 (Invoiced on monthly basis beginning from the Acceptance Date)
D. <u>Hosting Services:</u> Initial Hosting Term Initial Set-Up Fee Secure Socket Layer Encryption: Encrypt: Annual Hosting Fee:	
	One year None None ___ 40 bit ___ XX ___ 128 bit ___ Login only ___ All traffic ___ \$49,200
E. <u>Training Services</u> (as described in Statement of Work No. 2): Initial Training Services Fee:	
	\$11,000.00 (payable as set forth in Statement of Work No. 2)

Lehman Brothers shall be responsible for fees as set forth in Statements of Work Nos. 1 and 2, which shall be invoiced on the Acceptance Date. In the

event of non-acceptance of the Deliverables under Statement of Work Number 1 along with the base Licensed Software, Lehman Brothers shall not be obligation to pay such fees.

All professional services to be performed by us through December 31, 2005 will be invoiced and paid at the following rates:

Billing Rates for Professional Services

Role Description	Standard Hourly Rate	Standard Daily Rate	Extended On Site Hourly Rate	Extended On Site Delivery Daily Rate
Project/Risk/Task Management / Solution architecture / design (multiple projects), (Implementation Consulting	\$200.00	\$1,600.00	\$250.00	\$2,000.00
Engagement Management (multiple projects), QA Assessments Strategy, and Global Client Management	\$250.00	\$2,000.00	\$300.00	\$2,400.00
Product Specialist, Expert Product Services / Specialized Services / Business Consulting	\$300.00	\$2,400.00	\$350.00	\$2,800.00
Iterative design/code generation, test case development, and quality assurance testing	\$125.00	\$1,000.00	\$200.00	\$1,600.00
Solution design / Technical Specifications	\$175.00	\$1,400.00	\$200.00	\$1,600.00
Daily Rate assumes an eight (8) hour day. Travel Expenses are billed separately, and must be pre-approved by Lehman Brothers in writing.				

Form of Non-Disclosure Agreement

The undersigned is aware that Lehman Brothers Inc. ("Lehman Brothers") and _____ ("Vendor") have entered into a Software License, Development Services and Support Agreement ("Agreement") and I fully understand that it imposes certain obligations on Vendor, some of which are specifically set forth below. I further understand that as part of its obligations under the Agreement, Vendor is required to obtain this written agreement from certain employees, including myself, to further ensure understanding and compliance with these obligations.

In consideration of my future or continued assignment and responsibilities in connection with Vendor's performance under the Agreement, I hereby acknowledge, represent and confirm to Vendor and Lehman Brothers as follows: (a) I have read the provisions of this Non-Disclosure Agreement, understand each of them, agree to them, and know of no agreements, obligations or restrictions which prevent or prohibit me from complying with them; (b) I will receive and maintain all Lehman Brothers information, perform services and conduct myself, in all respects, in a manner consistent with these obligations; and (c) I agree not to, directly or indirectly, engage in or assist others to engage in, any activity or conduct which violates the provisions of this Non-Disclosure Agreement. In furtherance of these obligations, I agree to hold in trust and preserve as confidential all information related to the business activities of Lehman Brothers, its affiliates, their clients, suppliers and other entities with whom Lehman Brothers do business that may be obtained by me from any source or may be developed as a result of my assignment. I agree to hold such information in trust and confidence for Lehman Brothers and not to disclose such information to any person, firm or enterprise, or use any such information for my own benefit or the benefit of any other party, unless authorized by Lehman Brothers in writing, and even then, to limit access and disclosure of such confidential information on a "need to know" basis only.

"Confidential Information" means any information obtained by Vendor that relates to the past, present or future business activities of Lehman Brothers, its subsidiaries and affiliates or their respective employees, customers or third party contractors, including any information relating to the plans, pricing, methods, methodologies, processes, financial data, lists, Intellectual Property Rights, customer information, apparatus, statistics, programs, research, development, information technology, the terms and existence of this Agreement or related information.

Confidential Information does not include information that is (a) previously known to Vendor, free from any obligation to keep it confidential; (b) publicly disclosed by Lehman Brothers either prior to or subsequent to the receipt by Vendor of such information; (c) independently developed by Vendor without any access to the Confidential Information; or (d) rightfully obtained by Vendor from a third party lawfully in possession of the Confidential Information who is not bound by confidentiality obligations to Lehman Brothers.

Vendor will hold all Confidential Information in confidence for Lehman Brothers and, except as set forth in this Agreement or as otherwise may be authorized by Lehman Brothers in writing, Vendor will not disclose to any person, firm or enterprise, or use for its own benefit, any Confidential Information. Vendor may disclose Confidential Information to its employees solely as required in order for Vendor to perform its obligations under this Agreement. Vendor may disclose Confidential Information if required to do so under applicable law, rule or order; provided that Vendor, where reasonably practicable and to the extent legally permissible, provides Lehman Brothers with prior written notice of the required disclosure so that Lehman Brothers may seek a protective order or other appropriate remedy; and provided further that Vendor discloses no more Confidential Information than is reasonably necessary in order to respond to the required disclosure.

At any time upon the request of Lehman Brothers, and in the event of termination of this Agreement, Vendor shall return, or destroy if so directed by Lehman Brothers, all Confidential Information, including all copies thereof and notes and other materials incorporating the Confidential Information, whether in physical or electronic form.

I understand that if I threaten to or actually breach or fail to observe any of the obligations set forth in this Non-Disclosure Agreement, Lehman Brothers and Vendor will be subject to irreparable harm which will not be adequately satisfied by damages. I therefore agree that Vendor or Lehman Brothers may be entitled to seek an injunction and any other remedies permitted to ensure and enforce my compliance with these obligations in the unlikely event I do not comply with them; provided, however, that no specification herein of any particular legal or equitable remedy will be construed as a waiver, prohibition or limitation of any legal or equitable remedies.

 **ORIGINAL**

**AMENDMENT NUMBER ONE TO THE
SOFTWARE LICENSE, SERVICES AND SUPPORT AGREEMENT**

This Amendment Number One ("Amendment") amends the Software License, Services, and Support Agreement dated December 31, 2004 ("Agreement"), between SumTotal Systems, Inc., a Delaware corporation, located at 2444 Charleston Road, Mountain View, CA 94043-1822 ("SumTotal") and Lehman Brothers Inc., with an office at 745 Seventh Avenue, New York, New York 10019 ("Lehman Brothers"). This Amendment is entered into as of this March 31, 2005 (the "Amendment Number One Effective Date").

1. All capitalized terms used herein shall have the meanings set out in the Agreement, as applicable, unless otherwise defined herein.
2. On the Amendment Number One Effective Date, the License Configuration in the Agreement is hereby revised per the terms set forth in this Amendment. Lehman Brothers hereby purchases an additional 5000 software licenses for 5000 Named Users for the SumTotal 7.0 TotalLMS software licensed by Lehman Brothers on December 31, 2004 (considered Licensed Software under the Agreement). Lehman Brothers also purchases Support for the 5000 additional Named Users, beginning upon the Amendment Number One Effective Date and ending one year from such date. The total number of Named Users licensed to Lehman Brothers as of the Amendment Number One Effective Date is 11,000 Named Users.
3. Lehman Brothers will pay SumTotal, per the terms set forth in the Agreement, as follows for the 5000 additional Named Users licensed under this Amendment.

Quantity of Named Users	License Fee Per Named User	Extended License Price	Additional Support Fee	Total Purchase Price for the Licensed Software Licenses and Support for such Licenses
5000	\$16.50	\$82,500.00	\$16,500.00	\$99,000.00

4. SumTotal will invoice Lehman Brothers the total purchase price of \$99,000.00 for the software licenses and the Support associated with such additional software licenses upon the Amendment Number One Effective Date. Lehman Brothers will pay SumTotal within thirty (30) days of such invoice date.
5. Due to the increase in the number of Named Users licensed under this Amendment, Lehman Brothers will pay SumTotal a total of \$7225 per month for hosting services beginning on the date of acceptance of the Deliverables agreed to by both parties as stated under Statement of Work 1 of the Agreement. SumTotal will host up to 20,000 Named Users for the SumTotal 7.0 TotalLMS software in return for Lehman Brothers' payment of \$7225 per month.
6. From the Amendment Number One Effective Date through July 30, 2005, Lehman Brothers may purchase additional licenses for additional Named Users for the SumTotal 7.0 TotalLMS software for a license fee of \$16.50 per Named User. Lehman Brothers must purchase in increments of 500 licenses at each time of purchase. The Support fee for each additional Named User is equal to twenty percent (20%) of the per Named User license fee; such Support will be for a period of 12 months.
7. From August 1, 2005 through July 30, 2006, Lehman Brothers may purchase additional licenses for additional Named Users for the SumTotal 7.0 TotalLMS software for a license fee of \$17.00 per Named User. Lehman Brothers must purchase in increments of 500 licenses at each time of purchase. The Support fee for each additional Named User is equal to twenty percent (20%) of the per Named User license fee; such Support will be for a period of 12 months.
8. On or before December 31, 2005, Lehman Brothers will purchase an additional 3000 licenses for 3000 Named Users for the SumTotal 7.0 TotalLMS software per the terms set forth in this section 8 of this Amendment. Each time Lehman Brothers purchases the additional licenses (which must total 3000 by December 31, 2005), Lehman must purchase in increments of 500 Named Users. Depending on when Lehman Brothers purchases the additional Named Users, Lehman Brothers will pay SumTotal as follows: (i) if Lehman Brothers purchases the additional Named Users on or prior to July 31, 2005 then Lehman Brothers will pay SumTotal \$16.50 per Named User and an additional twenty percent (20%) of the per Named User license fee for the associated Support fee or (ii) if Lehman Brothers purchases the additional Named Users on or after August 1, 2005, but before December 31, 2005, then Lehman Brothers will pay SumTotal \$17.00 per Named User and an additional twenty percent (20%) of the per Named User license fee for the associated Support fee. The Support for the additional Named Users purchased will begin on the date which Lehman Brothers purchases the additional Named Users and will end 12 months from such date. Lehman Brothers will pay SumTotal within thirty (30) days of the invoice date for the foregoing fees.

Confidential/03.15.05

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9. SumTotal will invoice the fee set forth in this Amendment to the following address.
Christina Miller
Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
10. Any acceptance terms set forth in the Agreement are not applicable to the additional Named Users set forth in this Amendment.
11. Subject to the foregoing amendment, the Agreement remains in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed by their duly authorized representatives.

LEHMAN BROTHERS INC.

By: Nancy N. Murray
Authorized Signature

Nancy N. Murray
Printed Name
VP - Global Sourcing Services
Title

3/31/05
Date

SUMTOTAL SYSTEMS, INC.

By: Neil J. Laid
Authorized Signature

NEIL J. LAID
Printed Name

SR. VP CFO
Title

3/31/05
Date

Approved
SumTotal
Legal

DMW
3/31/05

Approved
SumTotal
Finance

MS
3/31/05

Approved
SumTotal
Finance

MS
3/31/05

ORIGINAL

AMENDMENT NUMBER TWO TO THE
SOFTWARE LICENSE, SERVICES AND SUPPORT AGREEMENT

This Amendment Number Two ("Amendment") amends the Software License, Services, and Support Agreement dated December 31, 2004 ("Agreement"), between SumTotal Systems, Inc., a Delaware corporation, located at 1808 N. Shoreline Blvd., Mountain View, CA 94043-1622 ("SumTotal") and Lehman Brothers Inc., with an office at 745 Seventh Avenue, New York, New York 10019 ("Lehman Brothers"). This Amendment is entered into as of this 6th day of March, 2006 (the "Amendment Number Two Effective Date").

1. All capitalized terms used herein shall have the meanings set out in the Agreement, as applicable, unless otherwise defined herein.
2. On the Amendment Number Two Effective Date, the License Configuration in the Agreement is hereby revised per the terms set forth in this Amendment. On the Amendment Number Two Effective Date, Lehman Brothers hereby purchases an additional 1850 software licenses for 1850 Named Users for the SumTotal 7.0 TotalLMS software licensed by Lehman Brothers on December 31, 2004 (considered Licensed Software under the Agreement). Lehman Brothers also purchases Support for the 1850 additional Named Users, beginning upon the Amendment Number Two Effective Date and ending one year from such date. The total number of Named Users licensed to Lehman Brothers as of the Amendment Number Two Effective Date is 15,850 Named Users.
3. Lehman Brothers will pay SumTotal, per the terms set forth in the Agreement, as follows for the 1850 additional Named Users licensed under this Amendment.

Quantity of Named Users	License Fee Per Named User	Extended Price	Additional Support Fee	Total Purchase Price for the Licensed Software licenses and Support for such licenses
1,850	\$17.00	\$31,450.00	\$6,290.00	\$37,740

4. SumTotal will invoice Lehman Brothers the total purchase price of \$37,740.00 for the software licenses and the Support associated with such additional software licenses upon the Amendment Number Two Effective Date. Lehman Brothers will pay SumTotal within thirty (30) days of such invoice date.
5. The Support fee for each additional Named User is equal to twenty percent (20%) of the per Named User license fee; such Support will be for a period of 12 months.
6. Lehman Brothers will pay SumTotal within thirty (30) days of the invoice date for the foregoing fees.
7. SumTotal will invoice the fee set forth in this Amendment to the following address.
Christina Miller
Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
8. Any acceptance terms set forth in the Agreement are not applicable to the additional Named Users set forth in this Amendment.
9. Subject to the foregoing amendment, the Agreement remains in full force and effect in accordance with its terms.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to the Agreement to be executed by their duly authorized representatives.

LEHMAN BROTHERS INC.

By: 
Authorized Signature

Christina Miller
Printed Name

Vice President
Title

3/9/06
Date

SUMTOTAL SYSTEMS, INC.

By: 
Authorized Signature

Daniel P. Callaghan, III
Printed Name

Controller
Title

3/13/06
Date

Confidential/03.29.05

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Approved
SumTotal
Legal



Approved
SumTotal
Finance



 **ORIGINAL**

**AMENDMENT NUMBER THREE TO THE
SOFTWARE LICENSE, SERVICES AND SUPPORT AGREEMENT**

This Amendment Number Three ("Amendment") amends the Software License, Services, and Support Agreement dated December 31, 2004 ("Agreement"), between SumTotal Systems, Inc., a Delaware corporation, located at 1808 N. Shoreline Blvd., Mountain View, CA 94043-1622 ("SumTotal") and Lehman Brothers Inc., with an office at 745 Seventh Avenue, New York, New York 10019 ("Lehman Brothers"), as amended. This Amendment is entered into as of April 21st, 2006 (the "Amendment Number Three Effective Date").

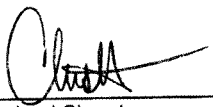
1. All capitalized terms used herein shall have the meanings set out in the Agreement, as applicable, unless otherwise defined herein.
2. On March 31st, 2005, Lehman Brothers purchased an additional 5000 software licenses for 5000 Named Users for the SumTotal 7.0 TotalLMS software licensed by Lehman Brothers on December 31, 2004 (considered Licensed Software under the Agreement). Lehman Brothers also purchased Support for the 5000 additional Named Users for an initial term of one year, beginning on March 31st, 2005 and concluding on March 30th, 2006. The pricing for the additional licenses purchased on March 31st, 2005 was determined as stated in the table immediately below.

Quantity of Named Users	License Fee Per Named User	Extended Price	Additional Support Fee	Total Purchase Price for the Licensed Software licenses and Support for such licenses
5000	\$16.50	\$82,500.00	\$16,500.00	\$99,000.00


3. SumTotal and Lehman Brothers hereby agree that the initial period for the Support for the additional licenses purchased via Amendment Number One is hereby altered to begin upon September 21st, 2005 and to conclude upon September 20th, 2006.
4. SumTotal will invoice the fee set forth in this Amendment to the following address.
Christina Miller
Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
5. Subject to the foregoing Amendment Three, unless specifically changed or added herein the Agreement remains in full force and effect in accordance with its terms and can only be modified in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number Three to the Agreement to be executed by their duly authorized representatives.


LEHMAN BROTHERS INC.

By: 
Authorized Signature
Christina Miller
Printed Name
Vice President
Title
5/30/06
Date

SUMTOTAL SYSTEMS, INC.

By: 
Authorized Signature
Daniel P. Callaghan, III
Printed Name
Controller
Title
6/5/06
Date

Approved
SumTotal
Legal 

Approved
SumTotal
Finance 

 **ORIGINAL**

Amendment Number Four

This Amendment Number Four ("Amendment") effective 8/7/08 (the "Amendment Number Four Effective Date") is made by and incorporated into the Software License, Services, and Support Agreement, dated December 31, 2004 (hereinafter "Agreement") between SumTotal Systems, Inc., a Delaware corporation, located at 1808 North Shoreline Boulevard, Mountain View, CA 94043 ("we" or "SumTotal") and Lehman Brothers, Inc., located at 745 Seventh Avenue, New York, New York 10019 ("you" or "Customer").

This Amendment incorporates the following into the Agreement.

1. Under Section 8, Confidentiality, of the Agreement, the following is included as "SumTotal Confidential Information".

You are participating in SumTotal's TotalSatisfaction program. As such you will be receiving information which is confidential in nature, such as, but not limited to pricing, offers, or proposals related to services offered or provided by SumTotal. You will neither use nor disclose the fact that you are participating in the SumTotal TotalSatisfaction program and you will not disclose any pricing, offers, proposals, terms or related items provided or agreed upon by you and us, either verbally or in writing, to anyone other than to those who have a strict need to know basis ("TotalSatisfaction Information").

You will maintain adequate security measures to safeguard the TotalSatisfaction Information from unauthorized disclosure, access, use and misappropriation. Without limiting the generality of the foregoing, you will only use and disclose the TotalSatisfaction Information to the extent necessary to enable your personnel who have a "need to know" such information (and only to the extent necessary) in order to fulfill the purposes contemplated by this Amendment. Prior to disclosing the TotalSatisfaction Information to any of your personnel, you will ensure that each of your personnel is bound by a written non-disclosure agreement with terms and conditions no less restrictive than those set forth in the Agreement and this Amendment. Moreover, prior to disclosure, you will provide us a list of your personnel with whom you will be disclosing the TotalSatisfaction Information. If you become aware of any threatened or actual unauthorized access to, use or disclosure of, or any inability to account for, the TotalSatisfaction Information, you will promptly notify us thereof and will assist us, at your cost with our efforts to terminate such access, to curtail such threatened or actual unauthorized use or disclosure, or to recover such information or materials. You are liable to us for any non-compliance by your personnel to the same extent you would be liable for non-compliance by your employees.

2. The terms set forth in this Amendment survive the termination of the Agreement.
3. Injunctive Relief. You acknowledge that the breach or threatened breach of the terms set forth in this Amendment will give rise to irreparable injury to SumTotal which cannot be adequately compensated by money damages. Accordingly, SumTotal may seek a restraining order and/or an injunction prohibiting such breach in addition to any other legal remedies which may be available. You agree that SumTotal will not be required to post a bond in seeking injunctive relief under this Agreement.

This Amendment, and the Agreement, contains our entire agreement with respect to your Software solution. The Agreement may not be modified except by written instrument signed by both parties and referring to the particular provisions to be modified.

Unless specifically changed or added herein, all other terms and conditions in the Agreement will remain in full force and effect and can only be modified in writing and signed by both parties.

In witness whereof, and intending to be legally bound hereby, the duly authorized representatives of Customer and SumTotal have executed this Amendment on the date shown below.

Lehman Brothers, Inc.

By: [Signature]
Authorized Signature

Christina Miller / Vice President
Printed Name/Title

Dated: 8/7/06

SUMTOTAL SYSTEMS, INC.

By: [Signature]
Authorized Signature

Daniel P. Callaghan, III
Printed Name/Title Controller

Dated: 8/9/06

Approved
SumTotal
Legal

[Signature]
8/9/06

Approved
SumTotal
Finance

VC
8/9/06

 **ORIGINAL**

**AMENDMENT NUMBER FOUR TO THE
SOFTWARE LICENSE, SERVICES AND SUPPORT AGREEMENT**

This Amendment Number Four ("Amendment") amends the Software License, Services, and Support Agreement dated December 31, 2004 ("Agreement"), between SumTotal Systems, Inc., a Delaware corporation, located at 1808 N. Shoreline Blvd., Mountain View, CA 94043-1622 ("SumTotal") and Lehman Brothers Inc., with an office at 745 Seventh Avenue, New York, New York 10019 ("Lehman Brothers"), as amended. This Amendment is entered into as of September 20, 2007. The effective date of Amendment Number Four shall be the date of the later signature hereto (the "Amendment Number Four Effective Date").

1. All capitalized terms used herein shall have the meanings set out in the Agreement, as applicable, unless otherwise defined herein.
2. **License Fees:** Lehman Brothers wishes to purchase additional software licenses for 24,150 Named Users for the SumTotal 7.2 TotalLMS software licensed by Lehman Brothers (considered Licensed Software under the Agreement). The total number of Named Users licensed to Lehman Brothers as of the Amendment Number Four Effective Date will be 40,000 Named Users (15,850 existing + 24,150 additional = 40,000 Named Users). The pricing for the additional licenses and support is determined as stated in the table immediately below.

Quantity of Additional Named Users	License Fee Per Named User	Extended Price
24,150	\$13.50	\$326,025.00

3. **Hosting Services Fees:** Commencing on the Amendment Number Four Effective Date, the Hosting Services Fee for 40,000 Named Users will be \$12,825 per month. For a period of twelve (12) months from the Effective Date, hosting fees for all Named Users above 40,000 shall be at \$0.25 per user per month.
4. **Support Fees:** Lehman Brothers wishes to make the support term for all existing and additional software licenses co-terminus and further agrees to a support term of twenty-four (24) months for 40,000 Named Users, invoiced annually at the rates provided below, commencing on the Amendment Number Four Effective Date and continuing for a period of twenty four (24) months (the "Support Term"). During the Support Term, the Annual Support Fee for 40,000 Named Users calculated at 20% of the License Fee of \$13.50, for a Total Annual Support Fee of \$108,000, due annually in accordance with the terms of the Agreement.
5. SumTotal shall invoice all License, Hosting Services and Support Fees for this Amendment Number Four in accordance with the terms of the Agreement. SumTotal will invoice the fees set forth in this Amendment to the following address:

Christina Miller
Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
6. For a period of twenty-four (24) months from the Effective Date of this Amendment Number Four, Lehman Brothers may purchase additional TotalLMS software licenses and annual support over 40,000 users, in no less than 1,000 Named User increments for the prices set forth below:

	License Fee	Annual Support Fee
• 40,001 and up Named Users	\$13.00 each	\$2.60/each per year

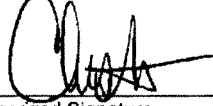
7. Lehman Brothers shall be entitled to a pro-rated credit of \$5,828.00 for annual support fees already paid by Lehman Brothers for the existing Named Users as below. Such credit shall be applied to the first Annual Maintenance Fee due in accordance with Section 4 above.

Number of Users	Total Credit
1,850	\$2,955.92
3,000	\$2,872.50

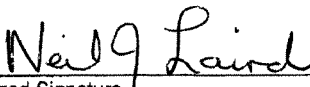
8. This Amendment Number Four shall be null and void if not executed by Lehman Brothers no later than September 20, 2007.
9. Subject to the foregoing Amendment Number Four, unless specifically changed or added herein the Agreement remains in full force and effect in accordance with its terms and can only be modified in writing and signed by both parties.


IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number Four to the Agreement to be executed by their duly authorized representatives.


LEHMAN BROTHERS INC.


By: 
Authorized Signature
Christina Miller
Printed Name
Vice President
Title
9/20/07
Date

SUMTOTAL SYSTEMS, INC.

By: 
Authorized Signature
Neil J. Laird
Printed Name
Chief Financial Officer
Title
9/21/07
Date

Approved
SumTotal
Legal 

Approved
SumTotal
Finance 

Approved
SumTotal
Finance 

 **ORIGINAL**

**AMENDMENT NUMBER FIVE TO THE
SOFTWARE LICENSE, SERVICES AND SUPPORT AGREEMENT**

This Amendment Number Five ("Amendment") amends the Software License, Services and Support Agreement dated December 31, 2004 ("Agreement"), between SumTotal Systems, Inc., a Delaware corporation, located at 1808 N. Shoreline Blvd., Mountain View, CA 94043-1622 ("SumTotal") and Lehman Brothers Inc., with an office at 745 Seventh Avenue, New York, New York 10019 ("Lehman Brothers"), as amended. This Amendment is entered into as of March 14, 2008 (the "Amendment Number Five Effective Date").

1. All capitalized terms used herein shall have the meanings set out in the Agreement, as applicable, unless otherwise defined herein.
2. Lehman Brothers hereby licenses one copy of the Integration Module to SuccessFactors for the SumTotal 7.6 TotalLMS software licensed by Lehman Brothers under the Agreement. Such Integration Module shall be considered Licensed Software under the Agreement.
3. The license fee for the Integration Module to SuccessFactors is \$25,000. All licenses granted herein are subject to timely payment of license fees.
4. Support Fees: Customer hereby purchases Maintenance Services for the Integration Module to SuccessFactors per the terms set forth in table below.

Maintenance Services:	
Support Term for the Integration Module to SuccessFactors:	Amendment Number Five Effective Date through September 20, 2008
Support Term Fee for the Integration Module to SuccessFactors:*	\$2,616

* Note: The Support Term Fee for the Integration Module to SuccessFactors purchased via this Amendment is prorated to be coterminous with the licenses for the existing Named Users of the Licensed Software. Thereafter the Support Term for all licenses purchased by Customer under the Agreement shall renew per the terms as set forth in the Agreement.

5. SumTotal shall invoice all fees herein upon execution of this Amendment. SumTotal will invoice the fees set forth in this Amendment to the following address.

Christina Miller
Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
6. This Amendment shall be null and void if not executed by Lehman Brothers and returned to SumTotal by April 30, 2008.
7. Subject to the foregoing Amendment Number Five, unless specifically changed or added herein the Agreement remains in full force and effect in accordance with its terms and can only be modified in writing and signed by both parties.

30370

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number Five to the Agreement to be executed by their duly authorized representatives.

LEHMAN BROTHERS INC.

SUMTOTAL SYSTEMS, INC.

By: Terry Chantemaisin
Authorized Signature
Printed Name
Title
Date

By: Paul B. Dumas
Authorized Signature
Printed Name
Title
Date

Approved
SumTotal
Legal

mx for
ms
6/4/08

Approved
SumTotal
Finance

HC
6/4/08

 **ORIGINAL**

**AMENDMENT NUMBER FOUR TO THE
SOFTWARE LICENSE, SERVICES AND SUPPORT AGREEMENT**

This Amendment Number Four ("Amendment") amends the Software License, Services, and Support Agreement dated December 31, 2004 ("Agreement"), between SumTotal Systems, Inc., a Delaware corporation, located at 1808 N. Shoreline Blvd., Mountain View, CA 94043-1622 ("SumTotal") and Lehman Brothers Inc., with an office at 745 Seventh Avenue, New York, New York 10019 ("Lehman Brothers"), as amended. This Amendment is entered into as of September 20, 2007. The effective date of Amendment Number Four shall be the date of the later signature hereto (the "Amendment Number Four Effective Date").

1. All capitalized terms used herein shall have the meanings set out in the Agreement, as applicable, unless otherwise defined herein.
2. **License Fees:** Lehman Brothers wishes to purchase additional software licenses for 24,150 Named Users for the SumTotal 7.2 TotalLMS software licensed by Lehman Brothers (considered Licensed Software under the Agreement). The total number of Named Users licensed to Lehman Brothers as of the Amendment Number Four Effective Date will be 40,000 Named Users (15,850 existing + 24,150 additional = 40,000 Named Users). The pricing for the additional licenses and support is determined as stated in the table immediately below.

Quantity of Additional Named Users	License Fee Per Named User	Extended Price
24,150	\$13.50	\$326,025.00

3. **Hosting Services Fees:** Commencing on the Amendment Number Four Effective Date, the Hosting Services Fee for 40,000 Named Users will be \$12,825 per month. For a period of twelve (12) months from the Effective Date, hosting fees for all Named Users above 40,000 shall be at \$0.25 per user per month.
4. **Support Fees:** Lehman Brothers wishes to make the support term for all existing and additional software licenses co-terminus and further agrees to a support term of twenty-four (24) months for 40,000 Named Users, invoiced annually at the rates provided below, commencing on the Amendment Number Four Effective Date and continuing for a period of twenty four (24) months (the "Support Term"). During the Support Term, the Annual Support Fee for 40,000 Named Users calculated at 20% of the License Fee of \$13.50, for a Total Annual Support Fee of \$108,000, due annually in accordance with the terms of the Agreement.
5. SumTotal shall invoice all License, Hosting Services and Support Fees for this Amendment Number Four in accordance with the terms of the Agreement. SumTotal will invoice the fees set forth in this Amendment to the following address:

Christina Miller
Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
6. For a period of twenty-four (24) months from the Effective Date of this Amendment Number Four, Lehman Brothers may purchase additional TotalLMS software licenses and annual support over 40,000 users, in no less than 1,000 Named User increments for the prices set forth below:

	License Fee	Annual Support Fee
• 40,001 and up Named Users	\$13.00 each	\$2.60/each per year

7. Lehman Brothers shall be entitled to a pro-rated credit of \$5,828.00 for annual support fees already paid by Lehman Brothers for the existing Named Users as below. Such credit shall be applied to the first Annual Maintenance Fee due in accordance with Section 4 above.

Number of Users	Total Credit
1,850	\$2,955.92
3,000	\$2,872.50

8. This Amendment Number Four shall be null and void if not executed by Lehman Brothers no later than September 20, 2007.
9. Subject to the foregoing Amendment Number Four, unless specifically changed or added herein the Agreement remains in full force and effect in accordance with its terms and can only be modified in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number Four to the Agreement to be executed by their duly authorized representatives.

LEHMAN BROTHERS INC.

By: 
Authorized Signature

Christina Miller
Printed Name

Vice President
Title

9/20/07
Date

SUMTOTAL SYSTEMS, INC.

By: Neil J. Laird
Authorized Signature

Neil J. Laird
Printed Name
Chief Financial Officer

9/21/07
Title

Date

Approved
SumTotal
Legal


9/21/07

Approved
SumTotal
Finance


9/21/07

Approved
SumTotal
Finance


9/21/07

 **ORIGINAL**

**AMENDMENT NUMBER FIVE TO THE
SOFTWARE LICENSE, SERVICES AND SUPPORT AGREEMENT**

This Amendment Number Five ("Amendment") amends the Software License, Services and Support Agreement dated December 31, 2004 ("Agreement"), between SumTotal Systems, Inc., a Delaware corporation, located at 1808 N. Shoreline Blvd., Mountain View, CA 94043-1622 ("SumTotal") and Lehman Brothers Inc., with an office at 745 Seventh Avenue, New York, New York 10019 ("Lehman Brothers"), as amended. This Amendment is entered into as of March 14, 2008 (the "Amendment Number Five Effective Date").

1. All capitalized terms used herein shall have the meanings set out in the Agreement, as applicable, unless otherwise defined herein.
2. Lehman Brothers hereby licenses one copy of the Integration Module to SuccessFactors for the SumTotal 7.6 TotalLMS software licensed by Lehman Brothers under the Agreement. Such Integration Module shall be considered Licensed Software under the Agreement.
3. The license fee for the Integration Module to SuccessFactors is \$25,000. All licenses granted herein are subject to timely payment of license fees.
4. Support Fees: Customer hereby purchases Maintenance Services for the Integration Module to SuccessFactors per the terms set forth in table below.

Maintenance Services:	
Support Term for the Integration Module to SuccessFactors:	Amendment Number Five Effective Date through September 20, 2008
Support Term Fee for the Integration Module to SuccessFactors:*	\$2,616

* Note: The Support Term Fee for the Integration Module to SuccessFactors purchased via this Amendment is prorated to be coterminous with the licenses for the existing Named Users of the Licensed Software. Thereafter the Support Term for all licenses purchased by Customer under the Agreement shall renew per the terms as set forth in the Agreement.

5. SumTotal shall invoice all fees herein upon execution of this Amendment. SumTotal will invoice the fees set forth in this Amendment to the following address.

Christina Miller
Lehman Brothers Inc.
745 Seventh Avenue
New York, New York 10019
6. This Amendment shall be null and void if not executed by Lehman Brothers and returned to SumTotal by April 30, 2008.
7. Subject to the foregoing Amendment Number Five, unless specifically changed or added herein the Agreement remains in full force and effect in accordance with its terms and can only be modified in writing and signed by both parties.

30370

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number Five to the Agreement to be executed by their duly authorized representatives.

LEHMAN BROTHERS INC.

By: Terry Chantemaisin
Authorized Signature
Terry Chantemaisin
Printed Name
Vice President
Title
6/4/08
Date

SUMTOTAL SYSTEMS, INC.

By: Paul B. Dumas
Authorized Signature
Paul B. Dumas
Printed Name
Vice President Finance
Title
6/4/08
Date

Approved
SumTotal
Legal

mk for
ms
6/4/08

Approved
SumTotal
Finance

hc
6/4/08



Invoice

Company	Invoice No	Date	Page
100	90220	14/Jul/2008	1 of 1

Bill To: c/o Lehman Brothers Accounts Payable Dep
Attn: Rupall Kumar
P.O. Box 2339
SECAUCUS, NJ 07096

Attn: Image Processing Systems

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	13/Aug/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1820R Maintenance Renewal - SumTotal Maintenance: Start: 21/Sep/2008, End: 20/Sep/2009 * Maintenance Renewal for SLSSA Amendment #4 effective 09/20/07 * 40,000 LMS users	1	108,000.00	108,000.00
2	1820R Maintenance Renewal - SumTotal Maintenance: Start: 21/Sep/2008, End: 20/Sep/2009 * Maintenance Renewal for SLSSA Amendment # 5 effective 03/14/08 * Integration Module to Success Factors * Term date 09/21/08-09/20/09	1	5,000.00	5,000.00
TAX				\$9,463.75

Page Total \$122,463.75

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total \$122,463.75

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	91086	20/Aug/2008	1 of 1

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Ship To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	19/Sep/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
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1	1620 Hosting - SumTotal Systems	12	1,068.75	12,825.00
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- * Refer to Amendment #4 effective 9/20/07
- * Add'l Hosting Services & new term: 9/20/07-9/19/08
- * 40,000 users @ \$12,825 per month
- * August '08 Hosting fee

Page Total **\$12,825.00**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$12,825.00**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	91634	12/Sep/2008	1 of 1

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupali Kumar

Ship To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupali Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	12/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1620 Hosting - SumTotal Systems	12	676.88	8,122.50

- * Refer to Amendment #4 effective 9/20/07
- * Add'l Hosting Services & new term: 9/20/07-9/19/08
- * 40,000 users @ \$12,825 per month
- * September '08 Hosting fee pro-rated 9/1/08-9/19/08

Page Total **\$8,122.50**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$8,122.50**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	91976	23/Sep/2008	1 of 1

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Ship To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	23/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1620 Hosting - SumTotal Systems	1	4,702.50	4,702.50
	* Refer to Amendment #4 effective 9/20/07 * Hosting renewal term: 9/20/08-9/19/09 * Sept'08 Hosting fee (Prorated for the term 9/20/08-9/30/08)			
	TAX			\$0.00

Page Total **\$4,702.50**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$4,702.50**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com

 **ORIGINAL**

STATEMENT OF WORK NO. 17
PROFESSIONAL SERVICES

This Statement of Work No. 17 ("Statement of Work") is effective July 17th, 2007 by and between Lehman Brothers ("Lehman," "you" or "Customer") and SumTotal Systems, Inc. ("we," "us," or "SumTotal").

1. This Statement of Work is subject to all the terms and conditions of the Software License, Services and Support Agreement between Lehman Brothers Inc. and SumTotal Systems, Inc. dated December 31, 2004. ("Agreement").
2. We will be providing you the professional services under the terms and conditions of the Agreement, in accordance with the Statement of Work set forth in Schedule A, attached hereto and incorporated herein.
3. Personnel. Our personnel and authorized contractors shall perform the professional services.
4. Project Manager. The SumTotal professional Services pre-sales point of contact is Doreen Hodgen. The Customer's project manager is Christina Miller.
5. Billing Information. All invoices to you for professional services will be sent to the following address:

Your Billing Information:

Address: Lehman Brothers
745 7th Ave.
New York, NY 10019

Attn.: Christina Miller
Email: Christina.Miller@lehman.com
Phone #: (212) 526-5075
Facsimile #: (212) 526-8766

This Statement of Work, the Agreement, amendments, and statements of work thereto, contain our entire agreement regarding the subject matter thereof. The Statement of Work may not be modified except by written instrument signed by both parties and referring to the particular provisions to be modified.

Unless specifically changed or added herein, all other terms and conditions in the Agreement will remain in full force and effect and can only be modified in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Statement of Work as of the date first written above.

LEHMAN BROTHERS

By: 

Authorized Signature

Christina Miller, VP

Printed Name/Title

Dated: 7/18/07

SUMTOTAL SYSTEMS, INC.

By: 

Authorized Signature

Daniel R. Gallagher, III

Controller

Printed Name/Title

Dated: 7/19/07

Please fax the signed document in its entirety to: Attn: SumTotal Systems, Inc., Contract Administrator at 650-962-5661. SumTotal will return one fully executed copy to you.

Signature page to Statement of Work Number 17 between SumTotal and Lehman Brothers

Lehman SOW #17 (071307).doc

1

[Rev. 071707_DMW]

Confidential

Approved
SumTotal
Legal


7/19/07

Approved
SumTotal
Finance


7/19/07

Schedule A – Specifications of Statement of Work

1.0 Overview and Scope

We are pleased to submit this Statement of Work in response to your request for our professional services. This Statement of Work is for professional services required to deploy a SumTotal Systems TotalLMS 7.2 ("TotalLMS").

The scope for this Statement of Work is as follows:

- 1.1 **Product Specialist: Training and Consulting** -- We will provide a Product Specialist to train on areas of the LMS application as defined by Lehman. The Product Specialist will meet with Terry Chantemisin before the on-site visit to define the training curricula. Standard training materials will be used for this training session. The Product Specialist will also spend time consulting and working with the new user group on implementing learning activities and structures as defined by Lehman standards and implementing Lehman Brothers best practices.
- 1.2 **HRIS Data Synchronization** - We will review the current Lehman Brothers data synchronization with you and provide guidance regarding the creation and validation of the India HR source files.
- 1.3 **Standard Legacy Training Data Migration** - We will migrate one set of legacy training migration files from one business group. This includes providing guidance for the formatting of the files as well as validation of the files prior to migrating the data.
- 1.4 **Project Management**: STS will provide part-time project management throughout this phase of the Lehman India implementation of the Software. The STS Project Manager ("PM") will focus on management of SumTotal Systems-specific tasks and will provide guidance on Lehman India Domain tasks that are a dependency for SumTotal Systems. The STS Project Manager will coordinate the tasks and delivery dates with Terry Chantemisin and assign the appropriate resources to support the implementation.
- 1.5 **Technical Consulting**: STS will provide part time technical consulting throughout this phase of the project. The IC will focus on technical consulting, data validation, and as a back up to the project manager.
- 1.6 **Content Consulting**: STS will provide content consultation regarding content hosted by 3rd party vendors (Intuition). This does not include the creation of any custom launch methods.

This Statement of Work does not cover any other work requested by you.

2.0 Estimated Fees

This Statement of Work is based on preliminary discovery discussions with you. Additional effort will be required to refine your needs. All professional services to be performed by us for each project task listed in the table below will be invoiced as set forth in the Agreement and paid for on a time and materials basis. Actual reasonable and out-of-pocket expenses and tax are not included in rates set forth below and will be invoiced separately.

To assist you in budgeting for this Statement of Work, we are able to provide the following budgetary guidance:

Budgetary Guidance

Project Task	Role	Standard Hourly Rate*	Estimated Time to Complete in Hours	Estimated Total Cost
1.1 Product Specialist: Training and Consulting - On-Site (40 Hours) Preparation and Ad-Hoc Consulting (16 Hours)	SP	\$ 225.00	56	\$ 12,600.00
1.2 HRIS Data Synchronization	IC	\$ 225.00	32	\$ 7,200.00
1.3 Standard Legacy Training Data Migration	IC	\$225.00	40	\$ 9,000.00
1.4 Project Management	PM	\$225.00	32	\$ 7,200.00
1.5 Technical Consulting	IC	\$225.00	40	\$ 9,000.00
1.6 Content Consulting	PM/IC	\$225.00	32	\$ 7,200.00
Estimated Total			232	\$52,200.00

*Rate is per person per hour.

The figures presented above are estimates. Actual professional services will be billed on a time and materials basis. This estimate is valid for 30 days from the date of this document.

All professional services performed by us under the scope of this Statement of Work, as defined in Section 1 and the Budgetary Guidance table above, will be billed at the rates set forth in the table below. Thereafter, our then-current prevailing rates shall apply.

Billing Rates

Role	Role Description	Standard Hourly Rate*
PM	Project, Risk, and Task Management Solution architecture and design	\$225.00
IC	Implementation Consulting	\$225.00
EM	Engagement Management, QA Assessments, Strategy, and Global Client Management	\$225.00
SP	Product Specialist, Expert Product Services, Specialized Services, and Business Consulting	\$225.00
Dev/QA	Iterative design and code generation, test case development, and quality assurance testing	\$125.00
SD	Solution design and Technical Specifications development	\$175.00

*Rate is per person per hour. Travel Expenses are billed separately.

It is anticipated that there will be some travel involved in the performance of this Statement of Work. Travel associated with the performance of this scope of work will be limited as deemed necessary to the implementation of this project and reimbursed at cost by you. Our travel standards and practices will be applied.

3.0 Modifications to the Statement of Work

Any changes to the scope of this Statement of Work shall result in a change order to this Statement of Work or a new statement of work. Notwithstanding the foregoing, if there are any changes to the scope of this Statement of Work and the changes result in an increase in the fees up to \$10,000.00 or 10% of the estimated total cost, whichever is less,

Lehman SOW #17 (071307).doc

then we will continue to provide the professional services, including the additional work, under this Statement of Work without the need to execute a change order or a new statement of work. Notwithstanding the foregoing, you will pay us for all services provided hereunder. All change orders and new statements of work will also be billed on a time and materials basis.

4.0 Assumptions

You shall dedicate a project manager to this Statement of Work. This project manager will act as the central point of contact for the professional services that we will render for this Statement of Work.

This Statement of Work was developed based on conversations with you. Additional discovery effort may be required to refine and specify each of the Project Tasks in this Statement of Work. You will be notified in advance of this situation and all reasonable efforts will be made to manage expectations to work towards a mutually successful implementation.

We believe the requirements and specifications provided in this Statement of Work are sufficient to allow the work to begin and be completed with a reasonable expectation that the total cost estimate will be realized; however, we cannot and, do not, guarantee the estimate.

The performance of this Statement of Work involves activities to be performed by both parties. If during the performance of this Statement of Work we do not receive your deliverables as scheduled, then our ability to complete this Statement of Work in a timely manner will be jeopardized. We will notify you should this occur, and will notify you of the impact with regards to additional expenses and subsequent schedule changes as set forth in the Agreement.

Scheduling for the professional services to be performed will be based upon a first come first serve basis and will be mutually agreed upon by the parties prior to the commencement of the professional services hereunder.



Invoice

Company	Invoice No	Date	Page
100	91326	29/Aug/2008	1 of 1

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Ship To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	28/Sep/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 2 2008 : HRIS Data Synchronization : Lehman SOW 17	6	225.00	1,350.00

* Refer to SOW#17 effective 07/17/2007

Page Total **\$1,350.00**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$1,350.00**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com

 **ORIGINAL**

**STATEMENT OF WORK NO. 19
PROFESSIONAL SERVICES**

This Statement of Work No. 19 ("Statement of Work") is effective November 12, 2007, by and between Lehman Brothers, Inc. ("Lehman", "you" or "Customer") and SumTotal Systems, Inc. ("we", "us," "SumTotal", or "STS").

1. This Statement of Work is subject to all the terms and conditions of the Software License, Services and Support Agreement between Lehman Brothers Inc. and SumTotal Systems, Inc. dated December 31, 2004. ("Agreement").
2. We will be providing you the professional services under the terms and conditions of the Agreement, in accordance with the Statement of Work set forth in Schedule A, attached hereto and incorporated herein.
3. Personnel. Our personnel and authorized contractors shall perform the professional services.
4. Project Manager. The SumTotal professional Services pre-sales point of contact is Tom Klopfer. The Customer's project manager is Christina Miller.
5. Billing Information. All invoices to you for professional services will be sent to the following address:

Your Billing Information:

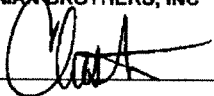
Address: Lehman Brothers
745 7th Ave.
New York, NY 10019
Attn.: Christina Miller
Email: Christina.Miller@lehman.com
Phone #: (212) 526-5075
Facsimile #: (212) 526-8766

This Statement of Work, the Agreement, amendments, and statements of work thereto, contain our entire agreement regarding the subject matter thereof. The Statement of Work may not be modified except by written instrument signed by both parties and referring to the particular provisions to be modified.

Unless specifically changed or added herein, all other terms and conditions in the Agreement will remain in full force and effect and can only be modified in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Statement of Work as of the date first written above.

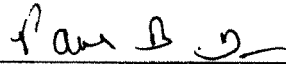
LEHMAN BROTHERS, INC.

By: 
Authorized Signature

Christina Miller, VP
Printed Name/Title

Dated: 11/27/07

SUMTOTAL SYSTEMS, INC.

By: 
Authorized Signature

Paul B. Dumas
Vice President Finance
Printed Name/Title

Dated: 11/27/07

Please fax the signed document in its entirety to: Attn: SumTotal Systems, Inc., Contract Administrator at 650-962-5661. SumTotal will return one fully executed copy to you.

Signature page to Statement of Work Number 19 between SumTotal and Lehman Brothers

Lehman SOW # 19
[Rev. 112007_DMW]

1

Approved
SumTotal
Legal


11/27/07

Confidential

Approved
SumTotal
Finance


11/27/07

Approved
SumTotal
Finance


11/27/07

Schedule A – Specifications of Statement of Work

1.0 Overview and Scope

We are pleased to submit this Statement of Work in response to your request for our professional services. This Statement of Work is for professional services required to upgrade your SumTotal Systems TotalLMS 7.2 to TotalLMS 7.6 ("TotalLMS").

The scope for this Statement of Work is as follows:

- 1.1 **Project Management** – We will provide part-time project management throughout this phase of the Lehman Enterprise implementation of the Software. Our Project Manager ("PM") will focus on management of SumTotal Systems-specific tasks and will provide guidance on Lehman Enterprise tasks that are a dependency for SumTotal Systems. Our PM will generate weekly status reports and review them in weekly project review meetings with you. Our PM will work with your project manager to establish and maintain a project plan as well as manage issues and action items throughout this project.
- 1.2 **Technical Consulting** – We will provide part time Implementation Consulting throughout the project. The IC will focus on technical consulting, data validation, and technical interface between all organizations within SumTotal Systems such as the data center, engineering and tech support. The IC will also support the Lehman LMS re-configuration initiative and will work with the new and existing user groups to migrate historic training data and support content integration as required.
- 1.3 **Branding** - The IC will also support the re-skinning/branding effort. This includes adding a logo to be displayed in LMS header and Report Manager headers. The logo artwork/graphics are to be provided by you in a format and size specified by us. This also includes modification of standard SumTotal CSS style sheets to change fonts and colors of displayed items. Changes to displayed words, or presence or layout of items on a page are considered out of scope.
- 1.4 **Configuration/On-Boarding Consulting:** We will provide a configuration consultant to assist with the on-boarding of five to seven new user groups throughout Lehman Brothers. (Schedule will be accommodated as requested by Lehman and staffed by us.) The following services will be provided by a SumTotal Product Specialist:
 - o Recommendations of on-going system use and the documentation of all recommendations.
 - o Recommendation and documentation of best practices.
 - o Ad hoc training/consulting as required by new System Administrators.
 - o Assistance with the on-boarding of new user groups as requested and defined by you.
- 1.5 **Upgrade from STS version 7.2 to version 7.6** – We will work with you to upgrade the existing 7.2 LMS to version 7.6. The upgrade will entail the following:
 - 1.5.1 Port existing leadership customization functionality to version 7.6
 - 1.5.2 Port customizations made to the User Optional Text fields. Includes creation of the drop down box for Optional Text Field #1 and the Optional Text Field Name Changes.
 - 1.5.3 Port Genesis Conferencing customization. (Aurora specific)
 - 1.5.4 Port modification to support Vendor Training. (IT specific) This customization includes the following: Modification of Learning Activity Properties, Modification of Registration Approval Settings, and Modification of Registration Process for Vendor Training
 - 1.5.5 Port "Bill to Organization" enhancement.
 - 1.5.6 Lehman specific upgrade scripts that will include: Lehman database will be upgraded to SumTotal 7.6, A pre script will be written to take a backup of the customized columns, A post script will be written to restore the customized columns on to the upgraded database, Validation will be done on the upgraded database, R&D team fixes to any database upgrade issues.
 - 1.5.7 Single Sign On -AX Encrypted Digest mechanism – SSO will be enhanced to hold the AX Encrypted mechanism.
 - 1.5.8 Addition of Deep Link URL in Notifications.

- 1.5.9 Report Manager Database Upgrade
- 1.5.10 E-signature - Port existing customization to 7.6
E-signature popup window will pre-populate the username and password
- 1.5.11 Learning Portal Customizations - All Learning Portal customizations will be ported to version 7.6

- 1.6 On-Site Training - A Product Specialist will deliver a three day Using and Managing and one day Analyzing Results with Report Manager training class. There will be a total of three classes offered in the United States, 2 classes in Europe, 2 classes in Asia and 2 classes in India. The training materials as defined by Lehman and developed by the Product Specialist will be used for the training sessions. The training itself will consist of a combination of the STS standard training data base, as well as "real life" training within the Lehman Staging environment.

This Statement of Work does not cover any other work requested by you.

2.0 Estimated Fees

This Statement of Work is based on preliminary discovery discussions with you. Additional effort will be required to refine your needs. All professional services to be performed by us for each project task listed in the table below will be invoiced as set forth in the Agreement and paid for on a time and materials basis. Actual reasonable and out-of-pocket expenses and tax are not included in rates set forth below and will be invoiced separately.

To assist you in budgeting for this Statement of Work, we are able to provide the following budgetary guidance:

Budgetary Guidance

Project Task	Role	Standard Hourly Rate*	Estimated Time to Complete in Hours	Estimated Total Cost
1.1 Project Management	PM	\$ 225.00	100	\$ 22,500.00
1.2 Technical Consulting	IC	\$ 225.00	360	\$ 81,000.00
1.3 Branding	IC	\$ 225.00	32	\$ 7,200.00
1.4 Configuration/On-Boarding Consulting	SP	\$ 225.00	250	\$ 56,250.00
1.5 Upgrade and Customizations				
1.5.1 Leadership customization	DEV/QA	\$ 125.00	84	\$ 10,500.00
1.5.2 User Optional Text Fields	DEV/QA	\$ 125.00	50	\$ 6,250.00
1.5.3 Genesis Conferencing	DEV/QA	\$ 125.00	48	\$ 6,000.00
1.5.4 Vendor Training	DEV/QA	\$ 125.00	140	\$ 17,500.00
1.5.5 Bill of Organization	DEV/QA	\$ 125.00	40	\$ 5,000.00
1.5.6 Upgrade Scripts	DEV/QA	\$ 125.00	110	\$ 13,750.00
1.5.7 Single Sign-On	DEV/QA	\$ 125.00	48	\$ 6,000.00
1.5.8 Deep Links in Notifications	DEV/QA	\$ 125.00	24	\$ 3,000.00
1.5.9 Report Manager Upgrade	DEV/QA	\$ 125.00	84	\$ 10,500.00
1.5.10 E-Signature	DEV/QA	\$ 125.00	40	\$ 5,000.00
1.5.11 Learning Portal	DEV/QA	\$ 125.00	120	\$ 15,000.00
1.6 On-Site Training	SP	\$ 225.00	288	\$ 64,800.00
Estimated Total			1818	\$ 330,250.00

*Rate is per person per hour. Does not include Travel Expenses.

The figures presented above are estimates. Actual professional services will be billed on a time and materials basis. This estimate is valid for 30 days from the date of this document.

All professional services performed by us under the scope of this Statement of Work, as defined in Section 1 and the Budgetary Guidance table above, will be billed at the rates set forth in the table below. Thereafter, our then-current prevailing rates shall apply.

Billing Rates

Role	Role Description	Standard Hourly Rate*
PM	Project, Risk, and Task Management Solution architecture and design	\$225.00
IC	Implementation Consulting	\$225.00
EM	Engagement Management, QA Assessments, Strategy, and Global Client Management	\$225.00
SP	Product Specialist, Expert Product Services, Specialized Services, and Business Consulting	\$225.00
Dev/QA	Iterative design and code generation, test case development, and quality assurance testing	\$125.00
SD	Solution design and Technical Specifications development	\$175.00
TR	On-site delivery of training, including manuals and access to a TotalLMS/TotalLCMS environment	\$687.50
*Rate is per person per hour. Travel Expenses are billed separately.		

It is anticipated that there will be some travel involved in the performance of this Statement of Work. Travel associated with the performance of this scope of work will be limited as deemed necessary to the implementation of this project and reimbursed at cost by you. Our travel standards and practices will be applied.

3.0 Modifications to the Statement of Work

Any changes to the scope of this Statement of Work shall result in a change order to this Statement of Work or a new statement of work. Notwithstanding the foregoing, if there are any changes to the scope of this Statement of Work and the changes result in an increase in the fees up to \$10,000.00 or 10% of the estimated total cost, whichever is less, then we will continue to provide the professional services, including the additional work, under this Statement of Work without the need to execute a change order or a new statement of work. Notwithstanding the foregoing, you will pay us for all services provided hereunder. All change orders and new statements of work will also be billed on a time and materials basis.

Any changes to the scope of this Statement of Work shall result in a change order to this Statement of Work or a new statement of work. All change orders and new statements of work will also be billed on a time and materials basis.

4.0 Assumptions

You shall dedicate a project manager to this Statement of Work. This project manager will act as the central point of contact for the professional services that we will render for this Statement of Work.

This Statement of Work was developed based on conversations with you. Additional discovery effort may be required to refine and specify each of the Project Tasks in this Statement of Work. You will be notified in advance of this situation and all reasonable efforts will be made to manage expectations to work towards a mutually successful implementation.

We believe the requirements and specifications provided in this Statement of Work are sufficient to allow the work to begin and be completed with a reasonable expectation that the total cost estimate will be realized; however, we cannot and, do not, guarantee the estimate.

All items identified as enhancements will be based on current design models from SumTotal. Changes to the design models may impact the overall effort and pricing.

All costs are based on a time and materials effort. Thus, actual costs may vary based on the time spent on the project. Lehman will be billed for all time charged against the project.

Lehman Brothers is currently hosted in SumTotal's Data Center. All efforts are based upon the assumption that the upgrade will be performed on the existing hosted system.

The performance of this Statement of Work involves activities to be performed by both parties. If during the performance of this Statement of Work we do not receive your deliverables as scheduled, then our ability to complete this Statement of Work in a timely manner will be jeopardized. We will notify you should this occur, and will notify you of the impact with regards to additional expenses and subsequent schedule changes as set forth in the Agreement.

Scheduling for the professional services to be performed will be based upon a first come first serve basis and will be mutually agreed upon by the parties prior to the commencement of the professional services hereunder.



Invoice

Company	Invoice No	Date	Page
100	91329	29/Aug/2008	1 of 1

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	28/Sep/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 SumTotal Systems Professional Services : Jul 30 2008 - Aug 22 2008 : Branding : Lehman SOW 19	21.75	225.00	4,893.75
2	1410 SumTotal Systems Professional Services : Jul 30 2008 - Aug 22 2008 : Technical Consulting : Lehman SOW 19	37.5	225.00	8,437.50
3	1410 SumTotal Systems Professional Services : Jul 28 2008 : Configuration/On-Boarding Consulting - Deborah : Lehman SOW 19	1.25	225.00	281.25
* Refer to Statement of Work #19 effective 11/12/2007				
TAX				\$0.00

Page Total **\$13,612.50**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$13,612.50**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	91918	15/Sep/2008	1 of 2

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 SumTotal Systems Professional Services : 11-11-1911 : Technical Consulting : Lehman SOW 19	0.25	225.00	56.25
2	1410 SumTotal Systems Professional Services : 11-11-1911 : Technical Consulting : Lehman SOW 19	0.25	225.00	56.25
3	1410 SumTotal Systems Professional Services : 11-11-1911 : Technical Consulting : Lehman SOW 19	0.25	225.00	56.25
4	1410 SumTotal Systems Professional Services : 11-11-1911 : Technical Consulting : Lehman SOW 19	3	225.00	675.00
5	1410 SumTotal Systems Professional Services : 11-11-1911 : Technical Consulting : Lehman SOW 19	1	225.00	225.00
6	1410 SumTotal Systems Professional Services : 11-11-1911 : Technical Consulting : Lehman SOW 19	0.5	225.00	112.50
7	1410 SumTotal Systems Professional Services : 11-11-1911 : Technical Consulting : Lehman SOW 19	0.5	225.00	112.50
8	1410 SumTotal Systems Professional Services : 11-11-1911 : Technical Consulting : Lehman SOW 19	1.25	225.00	281.25
9	1410 SumTotal Systems Professional Services : 11-11-1911 : Technical Consulting : Lehman SOW 19	0.5	225.00	112.50

* Refer to Statement of Work No. 19, effective 11/2/2007

TAX

\$0.00



Invoice

<i>Company</i>	<i>Invoice No</i>	<i>Date</i>	<i>Page</i>
100	91918	15/Sep/2008	2 of 2

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

<i>Customer Grp/No.</i>	<i>Customer Name</i>	<i>Customer PO Number</i>	<i>Currency</i>	<i>Terms</i>	<i>Due Date</i>
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
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Page Total **\$0.00**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$1,687.50**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com

 **ORIGINAL**

**STATEMENT OF WORK NO. 20
PROFESSIONAL SERVICES**

This Statement of Work No. 20 ("Statement of Work") is effective _____, 2008, by and between Lehman Brothers, Inc. ("Lehman", "you" or "Customer") and SumTotal Systems, Inc. ("we," "us," or "SumTotal").

1. This Statement of Work is subject to all the terms and conditions of the Software License, Services and Support Agreement between Lehman Brothers, Inc. and SumTotal Systems, Inc. dated December 31, 2004 ("Agreement").
2. We will be providing you the professional services under the terms and conditions of the Agreement, in accordance with the Statement of Work set forth in Schedule A, attached hereto and incorporated herein.
3. Personnel. Our personnel and authorized contractors shall perform the professional services.
4. Project Manager. The SumTotal professional Services pre-sales point of contact is Cheryl Ragland. The Customer's project manager is Terry Chantemsin.
5. Billing Information. All invoices to you for professional services will be sent to the following address:

Your Billing Information:

Address: Lehman Brothers
1271 Sixth Avenue 46 Floor
New York, NY 10020-1300
Attn.: Christina Miller
Email: christina.miller@lehman.com
Phone #: 646-333-9183
Facsimile #: 212-520-0611

This Statement of Work, the Agreement, amendments, and statements of work thereto, contain our entire agreement regarding the subject matter thereof. The Statement of Work may not be modified except by written instrument signed by both parties and referring to the particular provisions to be modified.

Unless specifically changed or added herein, all other terms and conditions in the Agreement will remain in full force and effect and can only be modified in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Statement of Work as of the date first written above.

LEHMAN BROTHERS, INC.

SUMTOTAL SYSTEMS, INC.

By: Terry Chantemsin
Authorized Signature

By: Paul B. Dumas
Authorized Signature
Paul B. Dumas

Terry Chantemsin / VP
Printed Name/Title

Vice President Finance
Printed Name/Title

Dated: 6/4/08

Dated: 6/4/08

Please fax the signed document in its entirety to: Attn: SumTotal Systems, Inc., Contract Administrator at 650-962-5661. SumTotal will return one fully executed copy to you.

Signature page to Statement of Work Number 20 between SumTotal and Lehman Brothers., Inc.

Lehman SOW # 20 (052908).doc

1

Approved
SumTotal
Legal

not for
release
6/4/08 Confidential

Approved
SumTotal
Finance

hc
6/4/08

30370

Schedule A – Specifications of Statement of Work

1.0 Overview and Scope

We are pleased to submit this Statement of Work in response to your request for our professional services. This Statement of Work is for professional consulting services required to integrate SuccessFactors Performance Manager with TotalLMS ("TotalLMS").

The scope for this Statement of Work is as follows:

- 1.1 **SuccessFactors Performance Manager Integration with SumTotal** - We will apply a patch that allows for integration between the TotalLMS and SuccessFactors which allows for:
 - 1.1.1 Ability to view and select both competencies and learning activities from SuccessFactors Performance Manager.
 - 1.1.2 Ability to view Performance Manager documents in the LMS.
 - 1.1.3 Ability to track completed activities in SuccessFactors Performance Manager.
 - 1.1.4 This patch also includes a modification to our standard data sync to include "PMPassword" field, which is the Performance Manager password. You will be responsible for providing this field in the related Employee source file.
 - 1.1.5 This patch includes a skill data load for populating skills and skill translations from a competency library from an XML file provided by you from the SuccessFactors application.
- 1.2 **Add SuccessFactors Info Tab Customization** - We will add SuccessFactors Information display inside the Information Tabs section of users' homepage. This includes:
 - Add a link to "Success Factors" in the InfoTabs link area.
 - When this link is clicked, it will display the Success Factors information inside of the Info Tabs information area.
 - This would be expected to behave just like Training and Catalog and other things that can be displayed inside the Info Tabs box.
- 1.3 **Provide HMACSHA1 SSO and SuccessFactors Compatibility** - SuccessFactors will use the same SSO protocol for access to their site as Lehman uses to access the LMS. Lehman currently uses HMACSHA1 SSO. We will use the code for the HMACSHA1 SSO for access to SuccessFactors from the LMS.

SumTotal Development and QA will complete the necessary development work as outlined above. Initial generic testing will be completed by the SumTotal Quality Assurance group. Final testing must be completed in the SumTotal Systems/SuccessFactors integrated environment. SumTotal will require access to the SuccessFactors environment in order to perform these tasks, and support from the SuccessFactors technical team to assist in uploading files, and testing and debugging the integrated solution. Lehman Brothers purchased the SuccessFactors software which is the subject of this work directly from SuccessFactors; Lehman Brothers hereby agrees to ensure that SuccessFactors provides the necessary support needed to complete all tasks associated with this deployment, and will be responsible for any delay to the Statement of Work caused by failure of SuccessFactors to provide the necessary resources and support.

We will work with you to determine if additional customizations may be required to support any other integration with the SuccessFactors "CDP" module. Any additional customizations will need to be covered under a separate statement of work.

This Statement of Work does not cover any other work requested by you.

Pg 69 of 100

To assist you in budgeting for this Statement of Work, we are able to provide the following budgetary guidance:

Project Task	Role	Standard Hourly Rate*	Estimated Time to Complete in Hours	Estimated Total Cost
1.1 SuccessFactors Performance Manager Integration with SumTotal	PM	\$ 225.00	24	\$ 5,400.00
	IC	\$ 225.00	56	\$ 12,600.00
	Dev/QA	\$ 125.00	16	\$ 2,000.00
1.2 Add SuccessFactors Info Tab Customization	PM	\$ 225.00	2	\$ 450.00
	IC	\$ 225.00	6	\$ 1,350.00
	Dev/QA	\$ 125.00	36	\$ 4,500.00
1.3 Provide HMACSHA1 SSO and SuccessFactors Compatibility	PM	\$ 225.00	10	\$ 2,250.00
	IC	\$ 225.00	20	\$ 4,500.00
	Dev/QA	\$ 125.00	68	\$ 8,500.00
Estimated Total			238	\$ 41,550.00

The figures presented above are estimates. Actual professional services will be billed on a time and materials basis. This estimate is valid for 30 days from the date of this document.

Billing Rates

**Rate is per person per hour. Travel Expenses are billed separately.*

3.0 Modifications to the Statement of Work

4.0 Assumptions

This Statement of Work was developed based on conversations with you. Additional discovery effort may be required to refine and specify each of the Project Tasks in this Statement of Work. You will be notified in advance of this situation and all reasonable efforts will be made to manage expectations to work towards a mutually successful implementation.

The branding services which we provide will be limited to replacing the logo and changing the banner colors. Any other branding requirements will need to be defined further and is not included in this Statement of Work.

Scheduling for the professional services to be performed will be based upon a first come first serve basis and will be mutually agreed upon by the parties prior to the commencement of the professional services hereunder.



Invoice

Company	Invoice No	Date	Page
100	91327	29/Aug/2008	1 of 1

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
1271 Sixth Avenue 46 Floor
NEW YORK, NY 10020-1300

Attn: Christina Miller

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	28/Sep/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 21 2008 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	5.5	225.00	1,237.50
2	1410 SumTotal Systems Professional Services : Jul 29 2008 - Aug 22 2008 : Add SuccessFactors Info Tab Customization : Lehman SOW 20	18	125.00	2,250.00
3	1410 SumTotal Systems Professional Services : Jul 29 2008 - Aug 22 2008 : Provide HMACSHA1 SSO and SuccessFactors Compatibility : Lehman SOW 20	9.5	125.00	1,187.50
4	1410 SumTotal Systems Professional Services : Aug 4 2008 - Aug 21 2008 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	7.5	225.00	1,687.50
5	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 21 2008 : Add SuccessFactors Info Tab Customization : Lehman SOW 20	0.5	225.00	112.50
6	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 21 2008 : Provide HMACSHA1 SSO and SuccessFactors Compatibility : Lehman SOW 20	1	225.00	225.00
* Refer to Statement of Work No. 20, Effective 6/4/2008				
TAX				\$0.00

Page Total **\$6,700.00**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$6,700.00**

Inquiries: If you have any questions about this invoice, please contact Accounts Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email: Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	91919	15/Sep/2008	1 of 3

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	1.5	225.00	337.50
2	1410 SumTotal Systems Professional Services : 11-11-1911 : Provide HMACSHA1 SSO and SuccessFactors Compatibility : Lehman SOW 20	3	225.00	675.00
3	1410 SumTotal Systems Professional Services : 11-11-1911 : Add SuccessFactors Info Tab Customization : Lehman SOW 20	2	125.00	250.00
4	1410 SumTotal Systems Professional Services : 11-11-1911 : Add SuccessFactors Info Tab Customization : Lehman SOW 20	2	125.00	250.00
5	1410 SumTotal Systems Professional Services : 11-11-1911 : Add SuccessFactors Info Tab Customization : Lehman SOW 20	2	125.00	250.00
6	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	4	225.00	900.00
7	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	0.25	225.00	56.25
8	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	0.75	225.00	168.75
9	1410 SumTotal Systems Professional Services : 11-11-1911 : Add SuccessFactors Info Tab Customization : Lehman SOW 20	6	125.00	750.00
10	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	1	225.00	225.00
11	1410 SumTotal Systems Professional Services : 11-11-1911 : Provide HMACSHA1 SSO and SuccessFactors Compatibility : Lehman SOW 20	1	225.00	225.00
12	1410 SumTotal Systems Professional Services : 11-11-1911 : Add SuccessFactors Info Tab Customization : Lehman SOW 20	2	125.00	250.00

Page Total **\$4,337.50**



Invoice

Company	Invoice No	Date	Page
100	91919	15/Sep/2008	2 of 3

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
13	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	3.5	225.00	787.50
14	1410 SumTotal Systems Professional Services : 11-11-1911 : Add SuccessFactors Info Tab Customization : Lehman SOW 20	1	125.00	125.00
15	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	4.5	225.00	1,012.50
16	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	1	225.00	225.00
17	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	2.5	225.00	562.50
18	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	2	225.00	450.00
19	1410 SumTotal Systems Professional Services : 11-11-1911 : Provide HMACSHA1 SSO and SuccessFactors Compatibility : Lehman SOW 20	1	225.00	225.00
20	1410 SumTotal Systems Professional Services : 11-11-1911 : Provide HMACSHA1 SSO and SuccessFactors Compatibility : Lehman SOW 20	1	225.00	225.00
21	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	2	225.00	450.00
22	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	2	225.00	450.00
23	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	0.5	225.00	112.50
24	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	0.5	225.00	112.50

Page Total **\$4,737.50**



Invoice

Company	Invoice No	Date	Page
100	91919	15/Sep/2008	3 of 3

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
25	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	0.5	225.00	112.50
26	1410 SumTotal Systems Professional Services : 11-11-1911 : Provide HMACSHA1 SSO and SuccessFactors Compatibility : Lehman SOW 20	1.5	225.00	337.50
27	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	0.5	225.00	112.50
28	1410 SumTotal Systems Professional Services : 11-11-1911 : SuccessFactor Performance Manager Integration with SumTotal : Lehman SOW 20	2	225.00	450.00
* Refer to Statement of Work No. 20, effective 6/4/2008				
TAX				\$0.00

Page Total **\$1,012.50**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$10,087.50**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com

 ORIGINAL

STATEMENT OF WORK NO. 21
PROFESSIONAL SERVICES

This Statement of Work No. 21 ("Statement of Work") is effective May 2nd, 2008, by and between Lehman Brothers, Inc. ("Lehman", "you" or "Customer") and SumTotal Systems, Inc. ("we", "us," or "SumTotal").

1. This Statement of Work is subject to all the terms and conditions of the Software License, Services and Support Agreement between Lehman Brothers, Inc. and SumTotal Systems, Inc. dated December 31, 2004 ("Agreement").
2. We will be providing you the professional services under the terms and conditions of the Agreement, in accordance with the Statement of Work set forth in Schedule A, attached hereto and incorporated herein.
3. Personnel. Our personnel and authorized contractors shall perform the professional services.
4. Project Manager. The SumTotal professional Services pre-sales point of contact is Cheryl Ragland. The Customer's project manager is Terry Chantemsin.
5. Billing Information. All invoices to you for professional services will be sent to the following address:

Your Billing Information:

Address: Lehman Brothers
1271 Sixth Avenue 46 Floor
New York, NY 10020-1300
Attn.: Christina Miller
Email: christina.miller@lehman.com
Phone #: 646-333-9183
Facsimile #: 212-620-0811

This Statement of Work, the Agreement, amendments, and statements of work thereto, contain our entire agreement regarding the subject matter thereof. The Statement of Work may not be modified except by written instrument signed by both parties and referring to the particular provisions to be modified.

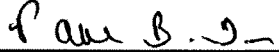
Unless specifically changed or added herein, all other terms and conditions in the Agreement will remain in full force and effect and can only be modified in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have executed this Statement of Work as of the date first written above.

LEHMAN BROTHERS, INC.

SUMTOTAL SYSTEMS, INC.

By: 
Authorized Signature

By: 
Authorized Signature

Terry Chantemsin / VP
Printed Name/Title

Paul B. Dumas
Vice President Finance
Printed Name/Title

Dated: 5/14/08

Dated: 5/14/08

Please fax the signed document in its entirety to: Attn: SumTotal Systems, Inc., Contract Administrator at 650-962-5661. SumTotal will return one fully executed copy to you.

Signature page to Statement of Work Number 21 between SumTotal and Lehman Brothers, Inc.

Lehman SOW # 21 (050208)DMW

1

Approved
SumTotal
Legal


5/15/08

Confidential

32179

Approved
SumTotal
Finance


5/15/08

Approved
SumTotal
Finance


5/15/08

Schedule A -- Specifications of Statement of Work

1.0 Overview and Scope

We are pleased to submit this Statement of Work in response to your request for our professional services. This Statement of Work is for the professional services required to customize Lehman's implementation of TotalLMS ("TotalLMS") 7.6.

The scope for this Statement of Work is as follows:

- 1.1 **Project Management** -- We will provide part-time project management throughout this phase of the implementation of the TotalLMS. Our Project Manager ("PM") will:
 - Provide overall project stewardship
 - Create and manage a detailed project plan for SumTotal tasks outlined herein
 - Manage the integration and communication to the program management team
 - Identify and manages team issues, risks, mitigation and communications plans
 - Prepare weekly status reports and executives reports
- 1.2 **Implementation Consulting** -- We will provide part-time implementation consulting in the form of system configuration support, general technical consulting, testing, and issues resolution.
- 1.3 **UI Customizations** - We will make the following customizations to Lehman's User Interface:
 - 1.3.1 **Wording Changes**

Change/replace the words/phrases requested by Lehman. The scope is "everywhere it occurs" unless otherwise specified. This will include all breadcrumbs, title tags, and page names as required.
 - 1.3.2 **LB Audience Object**

Create a new object which can be associated to an Activity as a property. This requires a new interface for maintaining a list of possible values, and for its selection in the staging editor for an activity.
 - 1.3.3 **Activity Details Page**

Modify the Activity Details page to adjust the table layout.
 - 1.3.4 **Activity Summary Pop-Up**

Modify the Activity Summary popup window to enhance the display of information.
 - 1.3.5 **Learner Homepage Small Boxes**

Modify the boxes on the left-hand side of the Learner home page, per Lehman requirements.
 - 1.3.6 **Learner Homepage Info Tabs**

Modify InfoTabs tab box on learner homepage to establish new appearance and some new behavior.
 - 1.3.7 **Learner Homepage "My Training"**

Modify display area on learner homepage beneath InfoTabs when "My Training" (formerly "Training") is selected, to enhance appearance and layout of assigned training table.

1.3.8 Learner & Manager Menu Modifications

Modify the menus in learner and manager mode (if necessary) to change the menu text and order of appearance.

1.3.9 Learner Favorites Page

Modify the columns and layout of the activities table in the learner's Favorites page, changes will make the table display look more like other tables in the system.

1.3.10 Assigned Training Page (Training Analysis)

Modify the learner's Training Analysis page for wording, appearance, and the activity table's columns.

1.3.11 Training Schedule

The learner's Training Schedule page will be updated for the table columns and layout.

1.3.12 Training Transcript

The learner's Training Transcript page will be updated for the table columns and layout.

1.3.13 Browse Catalog Page

Modify the main Catalog page and the sub-Catalog page to change wording and suppress/hide certain features.

1.3.14 Advanced Search Page

The Advanced Search page will be extensively customized to include wording changes, changes to layout items, table appearance, and other things to enhance the appearance of the Advanced Search, without modifying a large amount of base functionality.

1.3.15 Search: "No Results" Helpful Pop-Up

When a user searches for activities and no results are found, there is a message that appears. This part of the customization will modify the text in the message, and also add a hyperlink that users can click to get help searching.

1.3.16 Registration Panel

After users find the activities they are looking for, they register for these activities. This section of registration panel should be modified so that the table layout matches other customizations in this document.

1.3.17 Manager Homepage Small Boxes

Modify various items on the Manager mode homepage, including wording changes and suppression of some items.

1.3.18 Staging Editor Validation

Several fields in the Admin mode staging editor are currently optional (can be blank) and these fields need to be added to the validation checks for pushing to production, to ensure the fields are populated.

1.3.19 Report Manager

Several fields need to be added to Report Manager data sources.

1.3.20 Add "User Dept P&L" Data Field

Include "User Dept P&L" data field within in Pivot Table Field List for "Exception Reports - By Users: Version 7.2" data source.

1.3.21 Integration Testing

Perform integration testing of all the customizations will be done.

This Statement of Work does not cover any other work requested by you.

2.0 Estimated Fees

This Statement of Work is based on preliminary discovery discussions with you. Additional effort will be required to refine your needs. All professional services to be performed by us for each project task listed in the table below will be invoiced as set forth in the Agreement and paid for on a time and materials basis. Actual reasonable and out-of-pocket expenses and tax are not included in rates set forth below and will be invoiced separately.

To assist you in budgeting for this Statement of Work, we are able to provide the following budgetary guidance:

Budgetary Guidance

Project Task	Role	Standard Hourly Rate*	Estimated Time to Complete in Hours	Estimated Total Cost
1.1 Project Management	PM	\$ 225.00	144.00	\$ 32,400.00
1.2 Implementation Consulting	IC	\$ 225.00	242.00	\$ 54,450.00
1.3 UI Customizations				
1.3.1 Wording Changes	Dev/QA	\$ 125.00	60.00	\$ 7,500.00
1.3.2 LB Audience Object	Dev/QA	\$ 125.00	108.00	\$ 13,500.00
1.3.3 Activity Details Page	Dev/QA	\$ 125.00	56.00	\$ 7,000.00
1.3.4 Activity Summary Pop-Up	Dev/QA	\$ 125.00	56.00	\$ 7,000.00
1.3.5 Learner Homepage Small Boxes	Dev/QA	\$ 125.00	48.00	\$ 6,000.00
1.3.6 Learner Homepage Info Tabs	Dev/QA	\$ 125.00	104.00	\$ 13,000.00
1.3.7 Learner Homepage "My Training"	Dev/QA	\$ 125.00	88.00	\$ 11,000.00
1.3.8 Learner & Manager Menu Modifications	Dev/QA	\$ 125.00	32.00	\$ 4,000.00
1.3.9 Learner Favorites Page	Dev/QA	\$ 125.00	32.00	\$ 4,000.00
1.3.10 Assigned Training Page (Training Analysis)	Dev/QA	\$ 125.00	48.00	\$ 6,000.00
1.3.11 Training Schedule	Dev/QA	\$ 125.00	48.00	\$ 6,000.00
1.3.12 Training Transcript	Dev/QA	\$ 125.00	32.00	\$ 4,000.00
1.3.13 Browse Catalog Page	Dev/QA	\$ 125.00	16.00	\$ 2,000.00
1.3.14 Advanced Search Page	Dev/QA	\$ 125.00	216.00	\$ 27,000.00
1.3.15 Search: "No Results" Helpful Pop-Up	Dev/QA	\$ 125.00	56.00	\$ 7,000.00
1.3.16 Registration Panel	Dev/QA	\$ 125.00	132.00	\$ 16,500.00
1.3.17 Manager Homepage Small Boxes	Dev/QA	\$ 125.00	28.00	\$ 3,500.00
1.3.18 Staging Editor Validation	Dev/QA	\$ 125.00	76.00	\$ 9,500.00
1.1.18 Report Manager	Dev/QA	\$ 125.00	128.00	\$ 16,000.00
1.3.20 Add "User Dept P&L" Data Field	Dev/QA	\$ 125.00	32.00	\$ 4,000.00
1.3.21 Integration Testing	Dev/QA	\$ 125.00	104.00	\$ 13,000.00
Estimated Total			1886.00	\$ 274,350.00

*Rate is per person per hour. Does not include Travel Expenses.

The figures presented above are estimates. Actual professional services will be billed on a time and materials basis. This estimate is valid for 30 days from the date of this document.

All professional services performed by us under the scope of this Statement of Work, as defined in Section 1 and the Budgetary Guidance table above, will be billed at the rates set forth in the table below. Thereafter, our then-current prevailing rates shall apply.

Billing Rates

Role	Role Description	Standard Hourly Rate*
PM	Project, Risk, and Task Management Solution architecture and design	\$225.00
IC	Implementation Consulting	\$225.00
EM	Engagement Management, QA Assessments, Strategy, and Global Client Management	\$225.00
SP	Product Specialist, Expert Product Services, Specialized Services, and Business Consulting	\$225.00
Dew/QA	Iterative design and code generation, test case development, and quality assurance testing	\$125.00
SD	Solution design and Technical Specifications development	\$175.00
TR	On-site delivery of training, including manuals and access to a TotalLMS/TotalCMS environment	\$687.50
*Rate is per person per hour. Travel Expenses are billed separately.		

It is anticipated that there will be some travel involved in the performance of this Statement of Work. Travel associated with the performance of this scope of work will be limited as deemed necessary to the implementation of this project and reimbursed at cost by you. Our travel standards and practices will be applied.

3.0 Modifications to the Statement of Work

Any changes to the scope of this Statement of Work shall result in a change order to this Statement of Work or a new statement of work. All change orders and new statements of work will also be billed on a time and materials basis.

4.0 Assumptions

You shall dedicate a project manager to this Statement of Work. This project manager will act as the central point of contact for the professional services that we will render for this Statement of Work.

This Statement of Work was developed based on conversations with you. Additional discovery effort may be required to refine and specify each of the Project Tasks in this Statement of Work. You will be notified in advance of this situation and all reasonable efforts will be made to manage expectations to work towards a mutually successful implementation.

We believe the requirements and specifications provided in this Statement of Work are sufficient to allow the work to begin and be completed with a reasonable expectation that the total cost estimate will be realized; however, we cannot and, do not, guarantee the estimate.

The branding services which we provide will be limited to replacing the logo and changing the banner colors. Any other branding requirements will need to be defined further and is not included in this Statement of Work.

The performance of this Statement of Work involves activities to be performed by both parties. If during the performance of this Statement of Work we do not receive your deliverables as scheduled, then our ability to complete this Statement of Work in a timely manner will be jeopardized. We will notify you should this occur, and will notify you of the impact with regards to additional expenses and subsequent schedule changes as set forth in the Agreement.

Scheduling for the professional services to be performed will be based upon a first come first serve basis and will be mutually agreed upon by the parties prior to the commencement of the professional services hereunder.

 **ORIGINAL**

CHANGE ORDER NO. 1

(AMENDMENT TO STATEMENT OF WORK NO. 21)

This Change Order No. 1 ("Change Order") is effective May 14, 2008, by and between Lehman Brothers, Inc. ("Lehman", "you" or "Customer") and SumTotal Systems, Inc. ("SumTotal", "we" or "us"). This Change Order amends that certain Statement of Work Number Twenty One by and between you and us dated May 2nd, 2008 ("Statement of Work").

1. This Change Order is subject to the terms and conditions of the Software License, Services and Support Agreement between Lehman Brothers, Inc. and SumTotal Systems, Inc. dated December 31, 2004 ("Agreement").
2. The parties hereby agree to revise the Professional Services portion of Statement of Work No. 21 as follows:

Tasks Added to Scope:

SumTotal will provide the professional services required to customize Lehman's implementation of TotalLMS ("TotalLMS") 7.6 as follows:

- 1.1 Add 'Cancel Note' to the Activity Roster – We will add a new column in the Activity Roster called Cancel Note and we modify Report Manager to include the Cancel Note field as well.
- 1.2 Add 'Attended Duration' to the Activity Registration – We will add the Attended Duration data field to the Activity Registration data source.

To assist you in budgeting for this Change Order, we are able to provide the following budgetary guidance:

Budgetary Guidance for Change Order

Project Task	Role	Standard Hourly Rate*	Estimated Time to Complete in Hours	Estimated Total Cost
1.1 Add 'Cancel Note' to the Activity Roster	Dev/QA	\$125.00	28	\$3,500.00
	PM	\$225.00	2	\$450.00
	IC	\$225.00	4	\$900.00
1.2 Add 'Attended Duration' to the Activity Registration	Dev/QA	\$125.00	112	\$14,000.00
	PM	\$225.00	4	\$900.00
	IC	\$225.00	12	\$2,700.00
Estimated Total			162	\$22,450.00

*Rate is per person per hour.

The figures presented above are estimates. Actual professional services will be billed on a time and materials basis. This estimate is valid for 30 days from the date of this document.

This Change Order represents a net increase to the Budgetary Guidance set forth in the Statement Of Work as follows:

Original Budget Guidance	Change Order	Increase (Decrease)	New Budgetary Guidance
\$274,350.00	Change Order No. 1	\$22,450.00	\$296,800.00

4. **Assumptions.** The performance of this Change Order involves activities to be performed by both parties. If during the performance of this Change Order we do not receive your deliverables as scheduled, then our ability to complete this Change Order in a timely manner will be jeopardized. We will notify you should this occur, and will notify you of the impact with regards to additional expenses and subsequent schedule changes as set forth in the Agreement.
5. **Fees.** The fees, if any, for the professional services are set forth in this Change Order. We will invoice you monthly as set forth in the Agreement. Each invoice will describe the professional services performed, the hours worked each week by each person, and hourly rates for each person. All invoices to you for professional services will be sent to the following address:

Lehman Change Order No. 1 to SOW 21

1

Confidential

32570

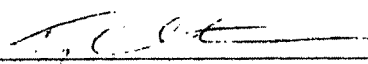
Address: Lehman Brothers
1271 Sixth Avenue 46 Floor
New York, NY 10020-1300
Attn: Christina Miller
Email: christina.miller@lehman.com
Phone #: 646-333-9183
Facsimile #: 212-520-0611

This Change Order, the Statement of Work, the Agreement, amendments, and statements of work thereto, contain our entire agreement. The Statement of Work may not be modified except by written instrument signed by both parties and referring to the particular provisions to be modified.

Unless specifically changed or added herein, all other terms and conditions in the Statement of Work and Agreement will remain in full force and effect and can only be modified in writing and signed by both parties.

You accept this Change Order and authorize us to commence the professional services as set forth in this Change Order.

LEHMAN BROTHERS, INC.

By: 

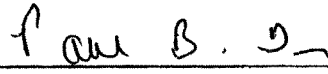
Authorized Signature

Terry Chantemaisin / VP

Printed Name/Title

Dated: 5/14/05

SUMTOTAL SYSTEMS, INC.

By: 

Authorized Signature

Paul B. Dumas

Vice President Finance

Printed Name/Title

Dated: 5/14/05

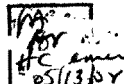
Please fax the signed document in its entirety to: Attn: SumTotal Systems, Inc., Contract Administrator at 650-962-5661. SumTotal will return one fully executed copy to you.

Signature page to Statement of Work Number 21, Change Order 1 between SumTotal and Lehman Brothers, Inc.

Approved
SumTotal
Legal


5/15/05

Approved
SumTotal
Finance


5/13/05



Invoice

Company	Invoice No	Date	Page
100	89901	30/Jun/2008	1 of 4

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	30/Jul/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 SumTotal Systems Professional Services : Jun 23 2008 - Jun 27 2008 : Implementation Consulting : Lehman SOW 21	11.5	225.00	2,587.50
2	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Activity Details Page : Lehman SOW 21	27.5	125.00	3,437.50
3	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Staging Editor Validation : Lehman SOW 21	6	125.00	750.00
4	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Add"User Dept P&L" Data Field : Lehman SOW 21	14	125.00	1,750.00
5	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Advanced Search Page : Lehman SOW 21	59.5	125.00	7,437.50
6	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Learner Homepage"My Training" : Lehman SOW 21	9.5	125.00	1,187.50
7	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Assigned Training Page(Training Analysis) : Lehman SOW 21	4	125.00	500.00
8	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : LB Audience Object : Lehman SOW 21	79.5	125.00	9,937.50
9	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Learner Favorites Page : Lehman SOW 21	5	125.00	625.00
10	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Learner & Manager Menu Modifications : Lehman SOW 21	12	125.00	1,500.00
11	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Learner Homepage Info Tabs : Lehman SOW 21	17.5	125.00	2,187.50
12	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Manager Homepage Small Boxes : Lehman SOW 21	8	125.00	1,000.00

Page Total **\$32,900.00**



Invoice

Company	Invoice No	Date	Page
100	89901	30/Jun/2008	2 of 4

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Attn: Attn: Rupali Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	30/Jul/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
13	1410 SumTotal Systems Professional Services : Jun 2 2008 - Jun 26 2008 : Project Management : Lehman SOW 21	36.75	225.00	8,268.75
14	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Report Manager : Lehman SOW 21	64	125.00	8,000.00
15	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Staging Editor Validation : Lehman SOW 21	48	125.00	6,000.00
16	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Training Schedule : Lehman SOW 21	22.5	125.00	2,812.50
17	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Training Transcript : Lehman SOW 21	6	125.00	750.00
18	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Registration Panel : Lehman SOW 21	34.5	125.00	4,312.50
19	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Wording Changes : Lehman SOW 21	81	125.00	10,125.00
20	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Activity Details Page : Lehman SOW 21	24	125.00	3,000.00
21	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : LB Audience Object : Lehman SOW 21	31	125.00	3,875.00
22	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Learner Favorites Page : Lehman SOW 21	14	125.00	1,750.00
23	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Learner & Manager Menu Modifications : Lehman SOW 21	5	125.00	625.00
24	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Learner Homepage Info Tabs : Lehman SOW 21	18	125.00	2,250.00

Page Total **\$51,768.75**



Invoice

Company	Invoice No	Date	Page
100	89901	30/Jun/2008	3 of 4

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	30/Jul/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
25	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Learner Homepage Small Boxes : Lehman SOW 21	16	125.00	2,000.00
26	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Learner Homepage Small Boxes : Lehman SOW 21	24	125.00	3,000.00
27	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Advanced Search Page : Lehman SOW 21	41	125.00	5,125.00
28	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Manager Homepage Small Boxes : Lehman SOW 21	8	125.00	1,000.00
29	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Report Manager : Lehman SOW 21	24	125.00	3,000.00
30	1410 SumTotal Systems Professional Services : May 1 2008 - Jun 27 2008 : Activity Summary Pop-Up : Lehman SOW 21	30.75	125.00	3,843.75
31	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Search "No Results" Helpful Pop-Up : Lehman SOW 21	8	125.00	1,000.00
32	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Wording Changes : Lehman SOW 21	13	125.00	1,625.00
33	1410 SumTotal Systems Professional Services : May 19 2008 - Jun 28 2008 : Assigned Training Page(Training Analysis) : Lehman SOW 21	4	125.00	500.00
	* Refer to Statement of Work #21 effective 5/2/2008			
35	1410	1	0.00	0.00
	TAX			\$0.00



Invoice

Company	Invoice No	Date	Page
100	89901	30/Jun/2008	4 of 4

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	30/Jul/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
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Page Total **\$0.00**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$105,762.50**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	90742	31/Jul/2008	1 of 3

Bill To: c/o Lehman Brothers Accounts Payable Dep
Attn: Rupall Kumar
P.O. Box 2339
SECAUCUS, NJ 07096

Attn: Image Processing Systems

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	30/Aug/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 DR Schedule	0	0.00	0.00
2	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Assigned Training Page (Training Analysis) : Lehman SOW 21	14	125.00	1,750.00
3	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Manager Homepage Small Boxes : Lehman SOW 21	5	125.00	625.00
4	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Learner Homepage" My Training" : Lehman SOW 21	8	125.00	1,000.00
5	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Add"User Dept P&L" Data Field : Lehman SOW 21	18	125.00	2,250.00
6	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Learner Homepage Info Tabs : Lehman SOW 21	41	125.00	5,125.00
7	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Advanced Search Page : Lehman SOW 21	28	125.00	3,500.00
8	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Learner & Manager Menu Modifications : Lehman SOW 21	4	125.00	500.00
9	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Activity Summary Pop-Up : Lehman SOW 21	9	125.00	1,125.00
10	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Learner Homepage" My Training" : Lehman SOW 21	4	125.00	500.00
11	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Integration Testing : Lehman SOW 21	56	125.00	7,000.00
12	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Learner Homepage Info Tabs : Lehman SOW 21	4	125.00	500.00

Page Total **\$23,875.00**



Invoice

Company	Invoice No	Date	Page
100	90742	31/Jul/2008	2 of 3

Bill To: c/o Lehman Brothers Accounts Payable Dep
Attn: Rupall Kumar
P.O. Box 2339
SECAUCUS, NJ 07096

Attn: Image Processing Systems

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	30/Aug/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
13	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Registration Panel : Lehman SOW 21	43.5	125.00	5,437.50
14	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Assigned Training Page (Training Analysis) : Lehman SOW 21	16	125.00	2,000.00
15	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Registration Panel : Lehman SOW 21	26	125.00	3,250.00
16	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Training Schedule : Lehman SOW 21	15.5	125.00	1,937.50
17	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Search "No Results" Helpful Pop-Up : Lehman SOW 21	4	125.00	500.00
18	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Activity Summary Pop-Up : Lehman SOW 21	12	125.00	1,500.00
19	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Learner Homepage Small Boxes : Lehman SOW 21	1	125.00	125.00
20	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Search "No Results" Helpful Pop-Up : Lehman SOW 21	19	125.00	2,375.00
21	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Training Transcript : Lehman SOW 21	24	125.00	3,000.00
22	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Staging Editor Validation : Lehman SOW 21	1	125.00	125.00
23	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 24 2008 : Implementation Consulting : Lehman SOW 21	35	225.00	7,875.00
24	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Learner & Manager Menu Modifications : Lehman SOW 21	3	125.00	375.00

Page Total **\$28,500.00**



Invoice

Company	Invoice No	Date	Page
100	90742	31/Jul/2008	3 of 3

Bill To: c/o Lehman Brothers Accounts Payable Dep
Attn: Rupali Kumar
P.O. Box 2339
SECAUCUS, NJ 07096

Attn: Image Processing Systems

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	30/Aug/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
25	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Advanced Search Page : Lehman SOW 21	82	125.00	10,250.00
26	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Report Manager : Lehman SOW 21	14	125.00	1,750.00
27	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Activity Details Page : Lehman SOW 21	4	125.00	500.00
28	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 24 2008 : Project Management : Lehman SOW 21 * Refer to Statement of Work #21 effective 5/2/2008	19	225.00	4,275.00
30	1410 SumTotal Systems Professional Services : Jun 30 2008 - Jul 25 2008 : Report Manager : Lehman SOW 21 TAX	17	125.00	2,125.00 \$0.00

Page Total **\$18,900.00**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$71,275.00**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	91328	29/Aug/2008	1 of 1

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	28/Sep/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 1 2008 : Add'Attended Duration 'to the Activity Registration : Lehman CR 1 to SOW 21	38	125.00	4,750.00
2	1410 SumTotal Systems Professional Services : Jul 29 2008 - Aug 13 2008 : Add'Attended Duration 'to the Activity Registration : Lehman CR 1 to SOW 21	15	125.00	1,875.00
3	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 1 2008 : Add 'Cancel Note' to the Activity Roster : Lehman CR 1 to SOW 21	4	125.00	500.00

* Refer to Change Order #1 to Statement of Work #21 effective 5/14/2008

TAX

\$0.00

Page Total **\$7,125.00**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$7,125.00**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	91330	29/Aug/2008	1 of 3

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	28/Sep/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 DR Schedule	1	0.00	0.00
2	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Advanced Search Page : Lehman SOW 21	4	125.00	500.00
3	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Browse Catalog Page : Lehman SOW 21	10	125.00	1,250.00
4	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Integration Testing : Lehman SOW 21	8	125.00	1,000.00
5	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Learner & Manager Menu Modifications : Lehman SOW 21	4	125.00	500.00
6	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Learner Homepage Info Tabs : Lehman SOW 21	20	125.00	2,500.00
7	1410 SumTotal Systems Professional Services : Jul 23 2008 - Aug 21 2008 : Manager Homepage Small Boxes : Lehman SOW 21	7	125.00	875.00
8	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Staging Editor Validation : Lehman SOW 21	16	125.00	2,000.00
9	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Training Schedule : Lehman SOW 21	10	125.00	1,250.00
10	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 22 2008 : Project Management : Lehman SOW 21	25.5	225.00	5,737.50
11	1410 SumTotal Systems Professional Services : Jul 23 2008 - Aug 21 2008 : Browse Catalog Page : Lehman SOW 21	6	125.00	750.00
12	1410 SumTotal Systems Professional Services : Jul 23 2008 - Aug 21 2008 : Integration Testing : Lehman SOW 21	40	125.00	5,000.00

Page Total **\$21,362.50**



Invoice

Company	Invoice No	Date	Page
100	91330	29/Aug/2008	2 of 3

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	28/Sep/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
13	1410 SumTotal Systems Professional Services : Jul 23 2008 - Aug 21 2008 : Learner Favorites Page : Lehman SOW 21	11.5	125.00	1,437.50
14	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Learner Homepage"My Training" : Lehman SOW 21	7	125.00	875.00
15	1410 SumTotal Systems Professional Services : Jul 23 2008 - Aug 21 2008 : Learner Homepage"My Training" : Lehman SOW 21	14.5	125.00	1,812.50
16	1410 SumTotal Systems Professional Services : Jul 23 2008 - Aug 21 2008 : Registration Panel : Lehman SOW 21	21	125.00	2,625.00
17	1410 SumTotal Systems Professional Services : Jul 23 2008 - Aug 21 2008 : Search "No Results" Helpful Pop-Up : Lehman SOW 21	21	125.00	2,625.00
18	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Assigned Training Page (Training Analysis) : Lehman SOW 21	4	125.00	500.00
19	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Report Manager : Lehman SOW 21	4	125.00	500.00
20	1410 SumTotal Systems Professional Services : Jul 23 2008 - Aug 21 2008 : Learner Homepage Info Tabs : Lehman SOW 21	2	125.00	250.00
21	1410 SumTotal Systems Professional Services : Jul 23 2008 - Aug 21 2008 : Learner Homepage Small Boxes : Lehman SOW 21	7	125.00	875.00
23	1410 SumTotal Systems Professional Services : Jul 28 2008 - Aug 20 2008 : Implementation Consulting : Lehman SOW 21	25	225.00	5,625.00

* Refer to Statement of Work #21 effective 5/2/2008

TAX \$0.00



Invoice

Company	Invoice No	Date	Page
100	91330	29/Aug/2008	3 of 3

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	28/Sep/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
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Page Total \$0.00

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total \$38,487.50

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	91917	15/Sep/2008	1 of 2

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 SumTotal Systems Professional Services : 11-11-1911 : Add'Attended Duration 'to the Activity Registration - Dev : Lehman CR 1 to SOW 21	6	125.00	750.00
2	1410 SumTotal Systems Professional Services : 11-11-1911 : Add'Attended Duration 'to the Activity Registration - Dev : Lehman CR 1 to SOW 21	1	125.00	125.00
3	1410 SumTotal Systems Professional Services : 11-11-1911 : Add'Attended Duration 'to the Activity Registration - PS : Lehman CR 1 to SOW 21	1	225.00	225.00
4	1410 SumTotal Systems Professional Services : 11-11-1911 : Add'Attended Duration 'to the Activity Registration - PS : Lehman CR 1 to SOW 21	1.75	225.00	393.75
5	1410 SumTotal Systems Professional Services : 11-11-1911 : Add 'Cancel Note' to the Activity Roster - PS : Lehman CR 1 to SOW 21	0.5	225.00	112.50
6	1410 SumTotal Systems Professional Services : 11-11-1911 : Add'Attended Duration 'to the Activity Registration - PS : Lehman CR 1 to SOW 21	0.5	225.00	112.50
7	1410 SumTotal Systems Professional Services : 11-11-1911 : Add 'Cancel Note' to the Activity Roster - PS : Lehman CR 1 to SOW 21	1	225.00	225.00
8	1410 SumTotal Systems Professional Services : 11-11-1911 : Add 'Cancel Note' to the Activity Roster - PS : Lehman CR 1 to SOW 21	2.5	225.00	562.50
9	1410 SumTotal Systems Professional Services : 11-11-1911 : Add'Attended Duration 'to the Activity Registration - PS : Lehman CR 1 to SOW 21	2	225.00	450.00
10	1410 SumTotal Systems Professional Services : 11-11-1911 : Add'Attended Duration 'to the Activity Registration - PS : Lehman CR 1 to SOW 21	1	225.00	225.00
11	1410 SumTotal Systems Professional Services : 11-11-1911 : Add 'Cancel Note' to the Activity Roster - PS : Lehman CR 1 to SOW 21	2	225.00	450.00

Page Total **\$3,631.25**



Invoice

Company	Invoice No	Date	Page
100	91917	15/Sep/2008	2 of 2

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
12	1410 SumTotal Systems Professional Services : 11-11-1911 : Add 'Cancel Note' to the Activity Roster - PS : Lehman CR 1 to SOW 21 * Refer to Statement of Work No. 21, effective 5/2/2008	1	225.00	225.00
	TAX			\$0.00

Page Total **\$225.00**

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total **\$3,856.25**

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com



Invoice

Company	Invoice No	Date	Page
100	91920	15/Sep/2008	1 of 5

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
1	1410 SumTotal Systems Professional Services : 11-11-1911 : Training Transcript : Lehman SOW 21	2	125.00	250.00
2	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	2	125.00	250.00
3	1410 SumTotal Systems Professional Services : 11-11-1911 : Staging Editor Validation : Lehman SOW 21	4	125.00	500.00
4	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	8	125.00	1,000.00
5	1410 SumTotal Systems Professional Services : 11-11-1911 : Search "No Results" Helpful Pop-Up : Lehman SOW 21	3	125.00	375.00
6	1410 SumTotal Systems Professional Services : 11-11-1911 : Learner & Manager Menu Modifications : Lehman SOW 21	4	125.00	500.00
7	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	2	125.00	250.00
8	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	4	125.00	500.00
9	1410 SumTotal Systems Professional Services : 11-11-1911 : Registration Panel : Lehman SOW 21	2	125.00	250.00
10	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	4	125.00	500.00
11	1410 SumTotal Systems Professional Services : 11-11-1911 : Learner Homepage Info Tabs : Lehman SOW 21	1.5	125.00	187.50
12	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	8	125.00	1,000.00

Page Total **\$5,562.50**



Invoice

Company	Invoice No	Date	Page
100	91920	15/Sep/2008	2 of 5

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
13	1410 SumTotal Systems Professional Services : 11-11-1911 : Learner Homepage"My Training" : Lehman SOW 21	8	125.00	1,000.00
14	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	4	125.00	500.00
15	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	2.75	225.00	618.75
16	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	4	125.00	500.00
17	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	0.5	225.00	112.50
18	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	4	225.00	900.00
19	1410 SumTotal Systems Professional Services : 11-11-1911 : Search "No Results" Helpful Pop-Up : Lehman SOW 21	1	125.00	125.00
20	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	0.25	225.00	56.25
21	1410 SumTotal Systems Professional Services : 11-11-1911 : Project Management : Lehman SOW 21	1.5	225.00	337.50
22	1410 SumTotal Systems Professional Services : 11-11-1911 : Report Manager : Lehman SOW 21	4	125.00	500.00
23	1410 SumTotal Systems Professional Services : 11-11-1911 : Project Management : Lehman SOW 21	1.5	225.00	337.50
24	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	5.75	225.00	1,293.75

Page Total **\$6,281.25**



Invoice

Company	Invoice No	Date	Page
100	91920	15/Sep/2008	3 of 5

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupall Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
25	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	4	225.00	900.00
26	1410 SumTotal Systems Professional Services : 11-11-1911 : Project Management : Lehman SOW 21	2	225.00	450.00
27	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	3	225.00	675.00
28	1410 SumTotal Systems Professional Services : 11-11-1911 : Project Management : Lehman SOW 21	0.25	225.00	56.25
29	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	1.25	225.00	281.25
30	1410 SumTotal Systems Professional Services : 11-11-1911 : Activity Details Page : Lehman SOW 21	0.5	125.00	62.50
31	1410 SumTotal Systems Professional Services : 11-11-1911 : Registration Panel : Lehman SOW 21	3	125.00	375.00
32	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	4	125.00	500.00
33	1410 SumTotal Systems Professional Services : 11-11-1911 : Advanced Search Page : Lehman SOW 21	1.5	125.00	187.50
34	1410 SumTotal Systems Professional Services : 11-11-1911 : Learner Favorites Page : Lehman SOW 21	1.5	125.00	187.50
35	1410 SumTotal Systems Professional Services : 11-11-1911 : Activity Summary Pop-Up : Lehman SOW 21	4	125.00	500.00
36	1410 SumTotal Systems Professional Services : 11-11-1911 : Registration Panel : Lehman SOW 21	1	125.00	125.00

Page Total **\$4,300.00**



Invoice

Company	Invoice No	Date	Page
100	91920	15/Sep/2008	4 of 5

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Attn: Rupali Kumar

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
37	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	3	225.00	675.00
38	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	2	225.00	450.00
39	1410 SumTotal Systems Professional Services : 11-11-1911 : Assigned Training Page (Training Analysis) : Lehman SOW 21	5	125.00	625.00
40	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	3	125.00	375.00
41	1410 SumTotal Systems Professional Services : 11-11-1911 : Project Management : Lehman SOW 21	1.5	225.00	337.50
42	1410 SumTotal Systems Professional Services : 11-11-1911 : Project Management : Lehman SOW 21	1.75	225.00	393.75
43	1410 SumTotal Systems Professional Services : 11-11-1911 : Assigned Training Page (Training Analysis) : Lehman SOW 21	1	125.00	125.00
44	1410 SumTotal Systems Professional Services : 11-11-1911 : Learner Homepage"My Training" : Lehman SOW 21	3	125.00	375.00
45	1410 SumTotal Systems Professional Services : 11-11-1911 : Project Management : Lehman SOW 21	1	225.00	225.00
46	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	3	225.00	675.00
47	1410 SumTotal Systems Professional Services : 11-11-1911 : Implementation Consulting : Lehman SOW 21	5	125.00	625.00

* Refer to Statement of Work No. 21, effective 5/2/2008

TAX

\$0.00



Invoice

Company	Invoice No	Date	Page
100	91920	15/Sep/2008	5 of 5

Bill To: Image Processing Systems
c/o Lehman Brothers Accts Payable Dept
PO Box 2339
SECAUCUS, NJ 07096

Attn: Attn: Rupall Kumar

Ship To: Lehman Brothers
745 7th Avenue
NEW YORK, NY 10019

Attn: Christina Miller

Customer Grp/No.	Customer Name	Customer PO Number	Currency	Terms	Due Date
1 3037	Lehman Brothers		USD	NET30	15/Oct/2008

No	SKU Code/Description/Comments	Units	Rate	Extended Price
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Page Total \$0.00

Remit To: Accounts Receivable
SumTotal Systems, Inc.
Dept: 33771
PO Box: 39000
San Francisco, CA 94139
U.S.A.

Invoice Total \$21,025.00

Inquiries: If you have any questions about this invoice, please contact Accounts
Receivable at Phone: 650.934.9500, Fax: 650.962.9411, email:
Accounts.Receivable@sumtotalsystems.com